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The Nation's Business

U.S. Business Slump Bottoms in June
Politics Obscures Canadian Outlook
British Labor May Reverse Policy
Present Campaign Omitted Needed Feature

U.S. BUSINESS SAID TO BE ON UPGRADE

ONE of the best authorities in United States industry, a man who, with his associates, comes in contact with manufacturing conditions as few men do, and who is usually sound and conservative, says that the low point in business conditions was probably reached in June and that gradual recovery is on the way now.

Whether or not we in Canada also reached the bottom of the recession in June depends on the effects of the propaganda of gloom disseminated principally by the Conservatives. There is no doubt that real harm has been done to the morale of the business community by the constant reiteration of despondent theories—theories which could be substantiated to only a slight degree. It will take some time and much good business news to offset the evils spread from so many platforms.

* * *

WASHINGTON is now taking an interest in our election. They do not approve of our preference policies. They would introduce reprisals through their tariff commission. Senator Fess, Ohio, would regard the preferential tariff in favor of Britain as manifestly unfair and one that would call for action from the U.S. This is how Germany talked and acted in 1897. Far-seeing Americans think differently. They see in the Empire preference one of their own great hopes for the future.

* * *

THE United States, because of the unfairness in its latest tariff, has come in for some criticism. No one can argue that it has played the game with its best customer. But the dominating influence over there is as generous, when put to it, as its politicians are narrow. Some of us are speculating whether Monday's popular vote will show as much economic sanity as the Americans did in 1924 and to some extent in 1928.

Will there be a decided swing? Probably.

* * *

MR. KING CONVERTED TO EMPIRE POLICY

THE most important development in this election would seem to be the complete conversion of Mr. King and the Liberals to Empire development and preference.

At the 1923 Imperial Conference Mr. King was so anti-British as to create comment at London. In 1926, he proposed to sidestep the conference. In this he had the support and inspiration of the able Sir Clifford Sifton. Probably also certain foreign influences which have been secretly most powerful at Ottawa, played a part. A result of these was the sending of Senator MacDougall to Germany in 1924 to endeavor to arrange a preferential trade agreement. The exposure of this at the time in The Financial Post and cabled at the time by Sir John Willison, was a great shock to the British. It brought indirect protests from protectionist and free trade leaders—The Morning Post and The Manchester Guardian. They realized that we were no longer mere Colonials to be exploited. We were going to do our own exploiting.

The Mother Country got another and more serious alarm when South Africa actually made the deal. Sir Clifford was not anti-Imperialist, but his experience had taught him the Englishman was a mighty clever trader, who wanted and usually got everything and gave little or nothing in return. The delegation of the London Chamber of Commerce—some of them not British at all who put it all over Laurier and got him to announce at Liverpool on his arrival in June, 1897, that the Canadian preference was a gift from a daughter to her mother, nothing whatever was wanted in return—a speech that created consternation among his colleagues, Fielding, Sifton and other important men back home at Ottawa.

* * *

IT WOULD appear that in sending MacDougall to Berlin the prime minister undoubtedly performed a very great Empire service.

* * *

PUBLIC sentiment finally in 1926 forced Mr. King to change his views about the Imperial Conference and he went over. That conference might have been a triumph for him. He could have come back and been received as the greatest Canadian in public life. Unfortunately, his press agents—and he rather encouraged them in the fake—cabled stories of how he was fighting the English with his back to the wall to secure a second magna charta. As a matter of fact, he actually got nothing we had not years before he went there. All of this was brought out in these columns by H. T. Hunter, The Financial Post's own representative, at the time.

* * *

NEED TARIFF FOR OUR DEVELOPMENT

GENEROUS protection—a tariff that would manufacture in Canada our own raw materials to highest finished articles without creating monopolies—which generally lead to excessive prices, poor quality and bad service,—has always been the first plank in The Financial Post's economic policy. The second—Imperial preferences leading eventually in the next quarter or half century to complete free trade within the Empire. That these represent the

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TIRE FABRICS BULK LARGE TO TEXTILES

Good Showing Last Year Due to Operations of Subsidiaries

PLENTY OF BUSINESS

Business for Staple Goods Continues Uncertain—Political Change Would Help

From Our Own Correspondent

MONTREAL.—Shrewd foresight, which prompted the management of Dominion Textiles Company to enter the field of tire fabric manufacture two years ago, is finding its reflection in the company's ability to maintain its position in the difficult times which have confronted the textile industry.

It is understood that these subsidiaries, Drummondville Cottons Company and Sherbrooke Cotton Company, are fairly busy at present, while they contributed materially to the total income of the parent company in the last fiscal year ended March 31, 1930. Though the general business of Dominion Textiles is suffering in common with other cotton manufacturers, its tire fabric subsidiaries made excellent progress last year and offset declines in the sales of cotton goods.

The total stake of Dominion Textiles in these concerns amounts to over $4,000,000 and this sum appears to be bringing healthy returns to the parent company. The income account of Dominion Textiles for the last fiscal year showed an increase of $237,504 in the item "interest on and profit from sale of investments" which is said to be largely due to income from its investment in Drummondville and Sherbrooke Cottons.

Total Earnings Increased

While sales and net earnings of Dominion Textiles showed a decline of $1,912,428 and $134,241 respectively in comparison with the previous year, interest and profits from investments rose to $561,610 as compared with $324,106. The result was that total net earnings were higher by $103,263 at $2,079,931 and earnings per share on the common stock amounted to $6.06 as opposed to $5.66 in the previous year.

Thus the company, through a policy noteworthy for its far sightedness, was able to redeem losses occasioned through poor conditions in the cotton manufacturing industry and to increase the amount of total net earnings available for distribution to the holders of the company's securities. Actually, income from its investments alone, which of course include $4,393,690 of securities and call loans in addition to investments in subsidiaries, was equal to over $2 a share on the common shares, on which a dividend of $5 is paid.

Considerable expansion has been undertaken in the properties of Drummondville Cottons and Sherbrooke Cottons since their acquisition by Dominion Textiles. Drummondville Cottons, which was formerly the Jenckes-Canadian Company has been equipped with a large amount of new machinery. This company confines its activities solely to the production of tire fabric and has established a strong market for its products. The company has an affiliation with two large rubber tire manufacturers, Dominion Rubber Company and the Firestone Rubber Company since both these companies hold preferred stock in Drummondville Cottons.

Widen Sherbrooke Output

Sherbrooke Cottons, which was formerly the Canadian Connecticut Cottons, manufactures both tire fabric and plain cotton goods. When the Kingston mill of Dominion Textiles was closed in 1929, the equipment was transferred to Sherbrooke and its operation co-ordinates with the other activities in the mill. It is understood that satisfactory results have obtained from this innovation.

Current operations of Dominion Textiles as a whole are still below par. In addition to the drastic competition which exists in the market for cotton goods, due to dumping of material in Canada from foreign countries, the company feels the effect of general business conditions. Nevertheless its earning power was favorably demonstrated in its last fiscal year and any improvement in Canadian business should be quickly reflected in plant operations.

The shares of Dominion Textiles have been more active recently, and have made gains from 60 to around 69. Imminence of a general election has played a part in the strength of the stock, for it is expected in some quarters that a change of government might bring relief to the textile industry. Manufacturers claim that present tariff regulations are not favorable to the industry.

In this respect, F. E. Daniels, president of Dominion Textiles stated in his remarks attached to the annual statement of the company that there seemed to be no effective application of the Dumping Clause in the tariff nor any attempt made to apply the British Contents Clause to the preferential tariff on English cotton.

ROYAL BANK DECLARES DIVIDEND

The Royal Bank has declared a regular quarterly dividend of 3 per cent on its paid-up capital payable September 2 to shareholders of record July 31.

Summaries Show Platforms on Which Parties Seek Office

Voters are going to the polls next Monday in a state of bewilderment because the parties seeking office have not clearly and succinctly enunciated their policies. In an endeavor to clarify the issues for the benefit of its readers, The Financial Post in the subjoined articles summarizes the policies of the three parties as these policies have been broadcast in the speeches of the leaders.

In former campaigns it was the custom of the parties to use newspaper advertisements to set forth their achievements of the past and promises for the future. In the present campaign these national announcements have been eliminated in favor of radio broadcasting. While there is no doubt that speeches have been heard by a great many more persons than would have been the case under the old method, there is nevertheless a lack of definite information on which the average voter can determine his course on election day.

In fact, so rambling and vague have been the pronouncements as filtered through the radio, so formless have been the guiding principles of the orators, that it is believed that many of the candidates and party workers themselves may be benefited from perusal of the subjoined summary of party policies. Strong evidence that the campaign has needed reiteration of definite platforms is the fact that perusal of many speeches of the party leaders has been essential to compilation of the following summaries:

Liberals

1. Main appeal of Liberals is on Dunning budget. Premier King and Hon. Mr. Dunning claim result of countervailing and higher duties on the one hand and the increased British preferences on the other will be to divert Canada's foreign purchases from the United States to Britain and so promote the sale in Britain of Canada's excess grain, failure of which to find a market is the chief cause of unemployment today in Canada.

Premier's argument is that there is a move today towards consolidation of vast economic groups. Mounting U. S. tariff was causing discussion in European countries of economic unity to meet outside threats. He hopes "to see economic solidarity effected of the countries which compose the British Empire." All treaties made with countries of Empire and Dunning budget had been framed with this end in view.

To Increase Employment

2. Liberal speakers claim that expanding Canada's world trade by means of treaties and British preference is best means of providing employment in Canada, that Canada cannot sell to the world without taking something back from the world, and that there must be mutual advantage in all trade pacts or trade cannot go on. They claim employment conditions in Canada to be better than in the United States or elsewhere. Premier King says, "restoration of confidence in Canada's business is the first thing to accomplish to help solve unemployment." He states their policy with regard to unemployment relief to be to create employment rather than to deal out doles. He suggested as the Government programme:

(1) An early start on the Peace River outlet to the Coast;

(2) Building subways wherever possible all over Canada to eliminate the deadly level crossings which cause so many deaths yearly;

(3) Further concentrated effort to expand Canada's trade abroad by means of trade commissioners who had been increased from 22 to 32, by wise expenditure of money in publicity abroad, by further fostering of industrial scientific research and by continuation of the plan of negotiating trade treaties with various countries.

3. As to unemployment relief, the Premier says that the Government adheres to the principle formerly enunciated by Premier Meighen that unemployment relief should be granted only when Provincial Governments ask for it formally. An order in council at that time had stated that unemployment was primarily a Provincial and municipal responsibility. No requests had come from Provincial Governments.

The Government would take action on any unemployment situation which had become of national importance and deal with any request from Provinces in a spirit of co-operation, when a province said they were unable to deal with it out of their own taxation.

The Premier also promised to call a representative conference of leading industrial business and labor organization executives to consider the whole problem in the light of their accumulated knowledge and devise such plans to cope with the situation as may be found necessary.

Imperial Conference Representation

4. Premier King says that it is all-important for Canada to be represented at the Imperial Economic Conference in September in England by representatives of the Government which had taken the lead in a tangible manner in instituting an Imperial policy of tariff preferences. He belives that representatives of his government, because their action had been so favorably received in England, would have the best opportunity of getting the benefit of further fiscal arrangements made by Great Britain. The Dunning budget had aroused British public opinion to the value and possibilities of Empire trade. Defeat of his government would be interpreted in England as showing Canadians opposed to such an extension of inter-Empire trade unless it were one-sided.

Appeals on Its Record

Government, in appealing on its record, claims to have made progressive reductions in taxation, to have continuously reduced the net debt of the Dominion and to have abolished nuisance taxes. Rate of income taxation had been reduced and exemptions increased. Sales tax was reduced from 6 per cent to 1 per cent and abolished altogether on some commodities. Letter postage was reduced from 3 cents to 2 cents and penny postage granted for the whole Empire.

That policies had been for public benefit, Liberal speakers claim, is shown by five years of uninterrupted progress and prosperity in agriculture,

(Continued on page 2, col. 4)

Conservatives

1. Hon. R. B. Bennett, Conservative leader, judging from criticisms of Government policy, is against countervailing duties on 16 items entering into commerce of Canada and United States on the ground that they make for instability and uncertainty. He also criticizes the British preferential duties of King Government, saying his own policy is "Canada first, British Empire next." He believes a protective tariff that would conserve Canadian market for Canadians would be the best way to remove unemployment. Instead of throwing purchases now made in U. S. to Great Britain he would throw them to domestic manufacturers.

To Employ Everybody

2. Conservative leader promises to call parliament together at the earliest possible moment, if elected, to provide at once employment for all who will work, by a general increase in the tariff. He suggests as part of the programme to be considered by parliament the giving of authority for the following projects:

(1) the institution of great public works for national advantage such as providing better port facilities on Atlantic and Pacific and on Hudson's Bay;

(2) the development of a rail outlet from the Peace River district to the Pacific Coast;

(3) the permanent solution of the conditions now existing in the coal and steel industry by which Canadian coal and steel will be used almost entirely in Canada;

(4) the building of a national highway from ocean to ocean;

(5) the institution of programmes which will give jobs to every willing man and woman in Canada.

3. "I promise you the Canadian home market," said Hon. Mr. Bennett at Charlottetown, after criticizing trade treaties negotiated by Liberal government, especially with reference to New Zealand butter imports.

Representation at Imperial Conference

4. Hon. R. B. Bennett asks the Canadian people to send someone, to England for the Imperial Economic Conference, who will put Canadian interests first always and who will not give a preference until there is some reciprocal advantage to Canada.

"I will formally advocate," he says, "a scheme of Imperial trade co-operation whose aim will be to secure for foodstuffs produced within the Empire a preferred place in its markets."

His pledge on behalf of the Conservative party on June 9, 1930, at Winnipeg, was as follows: "We pledge ourselves to foster and support a plan for greater Empire trade based on mutual advantage."

Attacks Government's Record

Hon. R. B. Bennett, Conservative leader, attacked the Government record on three counts:

1, for not having protected Canadian industry so that it had a fair chance on equal terms with foreign firms;

2, for not being sufficiently agile in Canada's interests in Imperial conferences while adopting an unnecessarily irritating attitude at times;

3, for not paying all the money required by provinces for old age pensions, for stopping the grants to provinces for roads, and for agricultural and technical education;

4, for not being active enough in instituting works to help unemployed; and

5, for its tariff policy which, he said, is a crazy quilt of higher protectionism and freer trade designed to win the goodwill of sectional interests and secure votes.

To Increase Transportation Facilities

Hon. R. B. Bennett, in answer to a whispering campaign alleged by Conservative speakers to be going on to the effect that his old connection with the Canadian Pacific Railway would lead him to advocate consolidation of the two great lines in Canada into one, said this was absolutely false, that his policy was one of "Amalgamation never, competition ever." He favored increasing Canada's transportation facilities east and west by an early start on the St. Lawrence waterways development, northward by completion of Hudson Bay route and necessary branches, the construction of a line giving the Peace River district a Pacific Coast outlet and by adding to port facilities on the Great Lakes, Atlantic and Pacific oceans and on Hudson Bay as well as aiding existing traffic channels.

Protecting Iron and Steel Industry

Hon. R. B. Bennett's ideas on the iron and steel industry are indicated in the following excerpt from a speech in Moncton, N. B.: "Today Canada is buying steel and steel products from the United States at the rate of $1,000,000 a day, and last year we sent

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Progressives

There is no such thing as a Progressive platform; nor is there any organization or recognized leader in a position to announce any such platform. It is necessary to distinguish between the various groups, Liberal-Progressive, Progressive, Farmer and U.F.A. which are sometimes rather loosely included under the classification of Progressives.

Liberal-Progressives are candidates jointly nominated by Liberal and Progressive constituency organizations. They are running as straight supporters of the government, and must be considered as bound by the policies enunciated by Premier King. As a rule they regard the Dunning budget as somewhat too protectionist, but they have accepted it.

Progressives, however, running as such, must be considered as opponents of the government. They are independents, with low tariff and generally radical leanings, and generally opposed to "the old parties."

Farmer Political Association candidates in Saskatchewan have replaced Progressives. Four members who sat in the last house as Progressives are running as Farmer candidates and nine others have been nominated. They are bound together by no general statement of policy or principles, except support of the demands of agriculture. Some of them, but not all, interpret this to mean support of the demands of "organized agriculture," as expressed by the United Farmers of Canada. Broadly speaking they are in favor of low tariffs, of bringing about free trade with Great Britain within a short time, not so much in the interests of Imperial trade as to break down protection. They are likely to favor public ownership, banking and currency "reform," and generally radical policies. They are against the "old parties," but generally more against the Liberals than the Conservatives, because they blame the Liberals for breaking up the old Progressive party.

Run on Records

U. F. A. members and candidates have never accepted the designation "Progressive," and the only central authority they recognize is the U.F.A. convention. They are running, not on a programme, but on their record of support of various legislative proposals. Their nearest approach to a platform is the declaration that "should the present election result in a political deadlock as between the Liberal and Conservative parties, we shall hail that possible circumstance as a great opportunity to substitute legislative measures in the people's interest for that of partisanship. If it is left to our decision as to whether Mr. King or Mr. Bennett is to be Prime Minister we shall ask, what is your legislative programme? and not which party do you represent? and we shall vote according to the merits of the former."

Members of the last parliament met at the close of the session and decided to move resolutions on the following subjects during the next session:

1. A government should not consider itself defeated except on a direct vote of want of confidence.
2. The right to amend our own constitution.
3. The advisability of forming a Central Bank for Canada.
4. The possibility if the nationalization of the Canadian Pacific Railway.
5. Asking for a judicial enquiry in reference to the Beauharnois Power Corp.
6. That a house committee should be formed to consider all matters of public welfare, which would include health, social conditions, etc.
7. Education for peace.
8. State Life Insurance.
9. Intermediate credits.

They show no interest in British preference or Imperial trade. They are against tariffs that adversely affect the farmers, but are not academic free traders, and have favored protection for agricultural products.

The Progressives claim that they supported all good legislation in previous parliaments in which they sat.

One of the main criticisms of the old parties is that those are under the domination of the financial interests of the Dominion. Their criticism of the King government includes a declaration that the Dunning budget was merely political manipulation for the purpose of securing votes; that it will not benefit the Western wheat grower. The Progressives, in so far as they have spoken of imperial trade, advocate absolute free trade with the Mother Country.

Progressives claim that unemployment is due to too many immigrants; that the Progressives had asked for restriction of all immigration several years ago, but that both old parties opposed them.

Progressives claim that Mr. Bennett's plan to cure unemployment in one session was a case of egoism when the best brains of the British Labor party had been working on the question for years.

Irregular Markets Expected for Stocks

Strengthening markets in the last week have not removed the possibility and the probability of irregularity for the next few weeks of trading. In a measure the rising prices in New York have been occasioned by short covering as well as by a continuance of the investment buying from good sources. As prices have risen there has been a tendency for the good outright buying, which has characterized recent markets, to dry up while the reduction of the short interest has weakened the technical position of the market to a certain extent. It is still true that the market is in an area which makes a decided forward move possible on definitely constructive news of business improvement but too great strength at present is not desired by those who fear that premature enthusiasm with its inevitable disappointment will retard the real recovery which is expected later on in the year.

Good bond buying continues, and it is a favorable feature of the situation that demand for Canadian bonds appears to be coming from British and American sources to an increasing degree. Cheap money elsewhere than in Canada makes the yields available here appear desirable to financiers in New York City and London.

Money for brokerage purposes appears to be much easier in Toronto during the last week while in Montreal it has become tighter, thus reversing the situation as it existed a few weeks ago. Increasing amounts are available from foreign sources, but a real desire for outside money is not evinced while the public is keeping out of the market.

In Canada not only the holiday season but also the impending Dominion election on July 28 have withdrawn interest from the stock market. If the election is anything but a stalemate, it is expected that the decision will result in greater confidence in August.

Smelters Interested in North Star Group

It is unofficially reported that Consolidated Smelters has commenced a working option, involving no cash payments, on the North Star group of eight gold claims, situated 40 miles northeast of mile 55 on the Hudson Bay Rly., near Morton Lake, Manitoba.

The property is owned by Lambert Nelson and associates, who are reported to have had negotiations with Dome Mines, also Robt. Jowsey of Toronto, but no agreements were reached owing to the price asked not being acceptable to these parties.

MORTGAGE ASSN. WILL MEET

The Dominion Mortgage & Investments Assn. will hold its fourteenth annual meeting in Vancouver on September 8 and 9. The tentative programme of the association includes an address by Dean Clement of the University of British Columbia on Agriculture as well as others relating to population and mineral development prospect of the west coast.

Clean Up Potato Crop

The New Brunswick potato crop of 1929 is now said to be almost entirely disposed of, there being only a few carload lots remaining in the whole province.

DOM. STEEL TO SHIP ORE TO ENGLAND

Ford of England Will Use Wabana Iron Ore

OPENS UP MARKET

Developments Planned for Bell Island May Mean Much in Future Operations

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp., through its subsidiaries Dominion Iron & Steel Co. and Nova Scotia Iron & Steel Co., have contracted to supply iron ore from the Wabana mines to the new Ford motor works in Dagenham, England.

Arrangements are now being made for large shipments. Steamers have already been chartered to bring 32,000 tons during October and November of next year, 80,000 tons from May to November, 1932, and 80,000 tons from May to November, 1933.

Special quays are being constructed on the Thames to facilitate the discharge of the ore, with rapid unloading facilities, and a depth of water alongside of 28 feet.

Plans Are Under Way

This explains the unwonted activity at Bell Island in the last few months. While it was understood that Dominion Steel and Coal Corporation had in mind plans for the development of the Bell Island iron ore properties—one of the most important deposits in the world—the management has refrained from making any statement.

Though official information is not available as to the full extent of the Bell Island development, indicated plans are such as to indicate a much greater use of the ores than hitherto.

First step in the new programme was negotiating a new agreement with the Newfoundland Government on the mining of the Wabana ores. Early last month the Government entered into a new pact with Dominion Iron and Steel Company and Nova Scotia Iron and Steel Company, both controlled by Dominion Steel and Coal Corporation.

Under the new contract, the com-

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Aviation Corporation Creates Nation-Wide Airway Organization

James Richardson Controlling Interest in Big Enterprise

DOMINATES FIELD

Railways and Government Are Directly and Indirectly Attached to New Concern

From Our Own Correspondent

MONTREAL. — Negotiations spread over a year have been concluded with the formation of a national aviation organization.

The new concern will, it is understood be jointly owned and operated by Aviation Corp. of Canada; the two big Canadian railway systems, the C. P. R. and the C. N. R. and a possible government interest. Statements as to the participation of the railways in this highly-important undertaking, by the presidents of both railway lines, confirms, officially, a story to this effect published in The Financial Post on May, 1, 1930.

Aviation Corporation of Canada is the name of the company which will have under its control Western Canada Airways, Canadian Transcontinental Airways, Canadian Airways, and other companies, the whole providing a Dominion-wide air service.

No financing will be undertaken by Aviation Corporation. The necessary funds have been provided from private sources.

James Richardson, of Winnipeg, prominent in the grain business and a director of the Canadian Pacific Railway, is understood to have control through majority of stock ownership. Both the Canadian National and Canadian Pacific Railways are interested in the enterprise; the Federal Government, while it has no financial stake in the company, is not disinterested in the success of the enterprise.

Strongest in Field

Aviation Corporation will be to Canada what United Aircraft is to the United States. It will be the dominant air organization operating in this country. Its machines are now operating on practically all major routes in the Dominion. Air bases are established at strategic points. The majority of air mail contracts are placed with various subsidiary organizations.

It is understood that a number of small independent operators have been bought and that these will eventually be done away with. In this manner, efficient air service can be provided under unified control with a minimum of expense.

May Widen Services

Detailed information as to the personnel and operation of Aviation Corporation, under the new set-up, is not available at the moment. Present operations will be carried on and possibly expanded. There may also be a widening of air mail service, a branch of postal work in which the Dominion Government is closely interested. Later on, a combined rail and airplane service may be inaugurated for trans-Canada travelling. Some of these developments are still in a formative stage and may not become an actuality for some time.

Started Last Year

The first step in the creation of a nation-wide air organization took place early last year with the formation of Aviation Corporation of Canada. Controlling interest was acquired in Interprovincial Airways and

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Supertest Common May Earn $7 in 1930

From Our Own Correspondent

LONDON. — Supertest Petroleum earnings are surpassing expectations. The high record of the early months of this year has been improved on to the extent that officials now expect earnings to reach $7 a share.

As earnings in 1929 were $4.25 a share such an increase is regarded as little short of extraordinary.

Laborites May Adopt Cause of Protection, Helping Empire Trade

Pronounced Swing Toward Safeguarding Follows Growth in Doles

SEE NEW PREFERENCE

Beaverbrook, Rothermere, Bankers, Impress Many in Britain With Need For Change

By HORACE T. HUNTER

Vice-president, The Financial Post, delegate Empire Press Conference and Empire Chambers of Commerce, held recently in London, England.

The Labor party in Great Britain is very likely to use the Imperial conference to evolve an empire trade policy—that is, some form of protection—and use it as a basis for fighting the election which is coming probably not later than next spring.

Protection in Great Britain, whether it is called that or something else, will make practicable the extension of imperial preference. The preference on motor cars, tobacco and other lines has been a real help to Canada. Our trade has increased enormously in some of these lines. An extension of the imperial preference would be of great advantage to us.

Such a reversal of policy on the part of Labor will be sensational, but there seems no doubt that a great change is highly probable.

Change Since Spring

From the time I arrived in Great Britain the last week in May to the middle of July, the whole situation underwent a complete change. Keen students of politics in Great Britain told me there had been more change in this period—a greater advance toward development of Empire trade—than in the previous 25 years.

Recent by-elections have indicated definitely the swing towards extension of safeguarding and even for taxation on food.

In support of the belief that the Labor party will espouse protection or "safeguarding" of industry is the significant fact that early in June, British trades union leaders came out in favor of a policy of extension of Empire trade. This is a break from the old free trade policy to one which favors a system of protection.

It was thought at first that this action was inspired by the Government, but I had it on very definite authority that the Labor leaders had become dissatisfied with the failure of the government to relieve unemployment and by this action endeavored to force the hand of MacDonald and his cabinet.

Labor Party in Difficulties

The Labor party is in difficulties at present because it has failed to keep its promises to relieve unemployment and to improve conditions in the country from the outset of its regime.

Instead of being improved, conditions have become steadily worse. When Labor came into power this last time there were 1,200,000 receiving the dole. Today the number of registered unemployed is 2,000,000 and this figure grows larger in these summer months when there should be more work. There are predictions that in the next winter the number receiving the dole will reach the appalling total of 2,250,000.

Government contributions to the dole are becoming even more embarrassing, financially, than before

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Canada Dry Earnings To Equal Last Year's

Net income of Canada Dry Ginger Ale, Inc., for the nine months ending June 30, 1930, was $2,369,099, equal to $4.64 a share on 510,684 shares, as compared with $2,398,693, or $4.71 a share on 508,689 shares, in the first three quarters of 1928-29. Third quarter earnings amounted to $1,170,365, or $2.29 a share, as against $1,107,827, or $2.18 a share, for the third quarter of the preceding fiscal period. The second quarter had only shown 88 cents a share and the third quarter has therefore fully warranted the optimistic statements of the president earlier in the year.

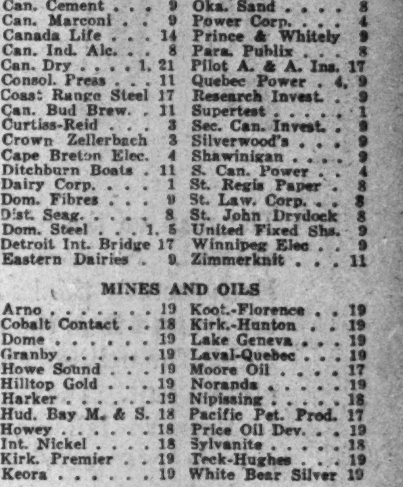
The present quarter, which will end September 30, 1930, is expected to show an even better result. The hot weather is always the company's great earning time. On June 30 last the company shipped 137 carloads, equal to more than 2,000,000 bottles of ginger ale from its plants, a record up to that time. Mr. Saylor expects that record to be surpassed during the summer.

Hot Weather Boosts Sales Of Dairy Corp.

Dairy Corp. of Canada results to date this year are reported to have been encouraging. June sales were especially good, and the hot weather through the summer has stimulated sales of ice cream for this company as for most others.

Reports from the subsidiaries both east and west show favorable trends in earnings. Depressed conditions in Western Canada have not affected this company to anything like the extent which might have been expected. As few Canadian dairy companies are in the export business they have not been affected by recent rises in the U. S. tariff on dairy products.

Stock Market



MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of July 22	64.0	61.5
Week of July 15	63.5	60.0
Month of July, 1929	113.8	102.3
8 Bank Stocks		
Week of July 22	253	251
Week of July 15	253	251
Month of July, 1929	300	284
10 Public Utilities		
Week of July 22	91	89
Week of July 15	90	87
Month of July, 1929	118	108

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SPECIAL SUPPLEMENT

Canada Dry Ginger Ale Inc. 21-25

NATION'S BUSINESS

(Continued from page 1)

views of its readers from the Atlantic to the Pacific—the most important and serious class in Canada—is proved by the fact that in the last few years they have received practically unanimous support.

* * *

CAMPAIGN LACKS LEADERSHIP

EXCEPTING in a few instances, the campaign has brought out little original constructive thought or policies. The Liberal leaders seem to have contented themselves with memorizing and getting off as much as the public would stand of a 24,000 word speech laboriously prepared for them at Ottawa by Mr. King. The Conservatives have taken their cue mainly from Mr. Ferguson, Ontario's resourceful, constructive, courageous prime minister. It is unfortunate that Mr. Ferguson has laid so much emphasis on unemployment and bad times—not, we feel, justified by the facts; but election has made him easily the greatest of present-day Conservative leaders.

* * *

IT IS extraordinary how both sides have missed the important comebacks. Mr. King has played up the very great generosity of the British as an excuse for the preferential budget. If the election lasted a week or two longer the Canadian people might be convinced that the English were falling all over each other out of the goodness of their hearts to buy Canadian products, when the actual facts are quite the reverse. The Conservatives have entirely overlooked the sending of the D'Abernon mission to South America and the making of a preferential treaty on wheat with Argentine at the very time when we were pathetically appealing to Britain to help us by absorbing some of our surplus wheat to prevent unemployment in transportation and allied interests. There is no room for sentiment and there is much cruelty in British business.

To remedy unemployment Mr. Bennett would at once assemble parliament and jack up tariffs all along the line. The effective Liberal comeback would have been to direct attention to Mr. Bennett's source of income—papermaking, and some evils of high tariffs. Although Canada is the greatest papermaking country in the world, we have there the highest protection on high-grade paper—35 per cent. That very high protection instead of creating employment in Canada by holding the home market and developing the use of book paper in this country and greatly increasing the foreign demand, has had exactly the opposite effect. Monopolies have been created, mills have been allowed to run down, obsolete machinery still in use in most of the high-grade paper mills, poor quality and bad service have compelled Canadian users of book paper to import paper generally made from Canadian wood or pulp to the extent of increasing millions. Moreover, the Liberals might have come back at Mr. Bennett for his speech at Sydney when he said of the coal industry: "What we want to do is to back this industry with all the might and power of the Canadian people." He deprecated the large importation of coal from the States. The Liberals could have taken the wind out of his sails by asking him why his own paper company had been importing American instead of using Canadian coal.

Canadian Printer and Publisher in its latest issue says:

"Paper imports continue to rise. The total value is now well beyond the fourteen million dollar mark, more than a million dollar increase in one year. Trade of Canada figures for the year ending March, 1930, show large increases over the previous year. There is no let up, and this is a matter of real concern to the graphic arts industries. Note, for instance, three items:

Bond and ledger papers, writing and envelope paper, uncut. (Dutiable at 25 per cent.)

	12 months ending March. 1929	1930
Total imports	$182,799	$197,131
United Kingdom	48,579	61,577
United States	81,598	130,869

Book, printing and litho paper, coated and glazed or unglazed, surface coated paper, n.o.p. (Dutiable at 35 per cent.)

	12 months ending March. 1929	1930
Total imports	$ 80,264	$696,681
United Kingdom	25,872	78,331
United States	46,404	559,517

Book, printing and litho paper, not pasted or coated, n.o.p. (Dutiable at 25 per cent.)

	12 months ending March. 1929	1930
Total imports	$567,625	$795,531
United Kingdom	188,881	213,895
United States	368,223	573,617

It is increases such as these that bring the total paper imports for one year, 1929 to 1930, to the amazing amount of $14,764,465. In 1929 the total was $13,649,415, an increase of $1,115,050.

Included in these figures are manufactures of paper, n.o.p., which totalled $3,006,226 for the twelve months ending 1929, and for the same period the following year the total was $3,057,078, an increase of $50,852.

* * *

THE ignorance and lack of common business sense that has been characteristic on the side of both the Conservative and Liberal parties would suggest how badly we are governed and how much we ourselves are to blame when we do not protest. It is greatly to the credit of the Liberal party that they at least adhered closely to three points: Their record; their budget; and the Economic conference. Outside of this, only one important, original, constructive, resourceful new voice has appeared, W. H. Moore, ex-newspaper reporter, lobbyist and chairman of the Tariff Board. He looks like the one find of the whole campaign, as Mr. Dunning was in the last.

* * *

THE Canadian Press has told us little of the Progressive campaign in the West. Their leader, Gardiner, has been elected by acclamation. Local papers show they have been conducting a vigorous fight in which they are lambasting the Eastern business interests. As a matter of fact, the East is really most sympathetic with them in many policies and hopes to see all their good men re-elected. They have been a healthy influence in the House.

* * *

LABORITES MAY SWITCH TO EMPIRE TRADE POLICY

AS SHOWN by an article by Horace T. Hunter, vice-president of The Financial Post, which appears elsewhere in this issue, there is a strong probability that the Labor party in Great Britain will advocate some form of protection, with increases in Imperial preferences, in order to save itself when next it goes to the polls, which probably will be next spring. The result of such an about-face will depend probably on the progress which Conservatives make meanwhile toward mending their differences and uniting on a protectionist policy which the voters of the Mother Country will accept.

It is distinctly encouraging to Canada and to the other Dominions which have been working for Empire trade in seasons when the question received little support from public men in Britain, that there should be at last, and so suddenly, such a pronounced change in sentiment. Protection for British industries against foreign markets will make Imperial preferences really practicable and advantageous in industries which so far have seen the plan as a political theory useful mainly in promulgating patriotic ideals.

* * *

CAMPAIGN NEEDS ADVERTISEMENTS

ONE of the mistakes of all parties in the present election has been to omit the publication of a well-planned series of advertisements setting forth the respective platforms.

The Financial Post and other newspapers, of course, would derive revenue in this way, but it is no mere desire for revenue which occasions these remarks. The Financial Post and other worth-while publications benefit truly as the country benefits, and this lack of advertising—we feel—has produced a dangerous situation. The voter is going to the polls with only the vaguest knowledge of what each party stands for, what the leaders propose.

The parties have been relying on the radio to send their message. The radio rightly has achieved a place in these campaigns. But the radio is supplementary to the printed word. The talkies do not abolish reading; the radio does not make newspapers superfluous.

What is the Liberal platform? What does Mr. Bennett propose for the welfare of the nation? Who knows?—other than the comparative few who have followed the long and sometimes rambling speeches broadcast from a platform on which the orators strive to attain a localized point of view. Would not the voter—the average voter—have his mind clarified if he could get these thoughts, these policies, in succinct form, freed from the blare of village trumpets, aside from the distraction of the diminutive damsel with the bouquet and the autograph album?

Merchandisers use radio. But they have found that well-planned advertisements are the best means of broadcasting a sincere message. The policies of a political party likewise could best be presented in newspaper advertising.

LIBERAL PLATFORM

(Continued from page 1)

industry, mining, manufacturing, forestry, water power development and building. Both foreign and domestic trade increased. Recession this year was due to a tie-up in grain, to the stock market crash and to world conditions. The Government had passed old age pension legislation, offering to pay one-half of any amounts decided by provinces, had enacted advantageous pension legislation for returned men and had during its regime contributed $233,000,000 in pensions to returned men or dependents of those killed overseas. Provisions for returned men to get pensions before 70 if they were "burned out" veterans had caused an additional expenditure in 1930 of $2,000,000 and would ultimately cause an increase of $18,000,000.

To Increase Transportation Facilities

Liberal speakers, in relation to Canada's transportation problems, claim that their policy has been shown in part by action. The Hudson Bay Railway has been completed. An early start will be made on a railway to give the Peace River district an outlet. They are prepared to proceed with the St. Lawrence waterway development when constitutional difficulties and impediments have been cleared away and say that considerable progress has been made in anticipation of that event. They are doing much, they claim, and have done much to improve port facilities all over Canada. Their treaties with Australia and New Zealand on the West and with West Indies on the East, have helped also to build up ports through greater trade.

Aiding Iron and Steel Industry

Premier King claims that iron and steel schedules adopted after the most exhaustive enquiry ever conducted by the Tariff Board were intended to serve the double purpose of promoting a greater efficiency and productivity in the Canadian iron and steel industry, and at the same time of diverting a large proportion of Canadian imports of iron and steel products from the United States to Great Britain.

Will Co-operate With Provinces

Premier King rests on record of his government with respect to relations with provinces. He says a United Canada is first objective of his party, and claims the following accomplishments in 8½ years of office:

(a) Grants to Maritimes to lessen freight rates;

(b) Implementing of the most important reccommendations of the Duncan Commission's report on Maritime claims;

(c) Return of natural resources of the Prairie Provinces to the control of the provincial governments while at the same time maintaining in perpetuity the annual subsidies which had been granted originally in lieu of these resources;

(d) Return of British Columbia railway and Peace River block lands to provincial government and the maintenance of the provincial subsidy to British Columbia.

Rescuing Agriculture

Premier King's claim is that Dunning budget was constructed on scientific lines laid by Tariff commission to help out agricultural situation which was made bad by excess supplies of wheat. It was hoped that Great Britain would take Canadian wheat, paying for it by greater exports to Canada to replace articles hitherto bought from the United States.

CONSERVATIVE PLATFORM

(Continued from page 1)

over to the United States more than $60,000,000 for coal and coke."

Mr. Bennett proposed to keep the last-mentioned $60,000,000 in Canada. In Nova Scotia Mr. Bennett also asked an audience to "think what one-half the $1,000,000 a day spent in the United States for steel and steel products would mean to Nova Scotia."

Promises More Money for Provinces

Hon. Mr. Bennett promises:

(a) to renew grants by Dominion Government to agricultural and technical education which were dropped by Liberal government;

(b) to give the provinces grants of money in aid of good roads;

(c) to change the Prince Edward Island Railway over from narrow gauge to standard gauge;

(d) to turn over in 1931 another car ferry, already ordered by the Dominion Government, to increase facilities of islanders for communication with the mainland;

(e) to implement the ten remaining recommendations, of the 29 made in the Duncan report on Maritime claims, which the liberals did not implement;

(f) to provide all the money necessary for old age pensions instead of half for the provinces according to the present law passed by the Liberals.

Favors Co-operative Markets

Hon. R. B. Bennett states that he believes in co-operative marketing of farm products, such as the plan put into effect in recent years by Western wheat pool, and says that, if returned, he would do his utmost to provide for farmers a nation-wide system of co-operative marketing which would leave them without any handicaps in international markets that were in his power to remove. At Winnipeg he said, "We pledge ourselves to foster and develop agriculture and the live-stock and dairy industry." As Conservative speeches have made much of the great increase in imports of New Zealand butter, it is taken for granted that in that respect Hon. Mr. Bennett would not be prepared to give New Zealand any advantage in the Canadian market.

AVIATION CORP. CREATES NATION-WIDE ORGANIZATION

(Continued from page 1)

through that company, Canadian Airways. This deal was accomplished through an exchange of stock, one share of Interprovincial being exchanged for two shares, one class "A" and one class "B" of Aviation Corporation.

Canadian Airways is an important unit. It operates a Montreal-Toronto-Detroit air mail service daily and has met with success in maintaining a fast schedule on this route. More recently it established another air mail route between Montreal and Saint John, also operated on a daily schedule.

Later on Aviation Corporation secured control of Canadian Transcontinental Airways. This placed the company in a strong position, in so far as Quebec and the Maritimes were concerned.

Canadian Trans-continental has several air mail contracts, including Ottawa-Montreal, Montreal-Rimouski, Quebec-Seven Islands, Moncton-Magdalen Islands, and Moncton-Charlottetown.

During the winter of 1927-28 the company was awarded contracts by the post-office department for the transportation of mail from Murray Bay to Seven Islands and Anticosti Islands, also from Moncton to the Magdalen Islands. Operations were further extended in 1928, when a service was inaugurated on the Ottawa-Montreal-Rimouski route during the open season of navigation on the St. Lawrence River.

Still later two other companies were formed as subsidiaries of Aviation Corporation. The first was Maritime Airways, created to extend the scope of operations in the Maritimes. This company is still more or less in the formative stage. The other subsidiary is Canadian Aerial Surveys, Limited. It is solely a ground organization and cares for work which has hitherto been done by Interprovincial Airways. It is, in fact, a segregation of the technical end of Interprovincial's survey work, and it does not engage in flying operations.

W. C. A. Tie-up Important

Thus it will be seen that Aviation Corporation's interests in Eastern Canada gave the company a dominant position. Through responsible management and ample financial backing, the company was and is able to maintain regular air schedules with modern equipment and first class operators, and on that account has been able to secure several important and valuable air mail contracts.

It will give new importance to commercial flying. Already the Canadian Pacific Express Company is making use of the airplane for shipment of goods between Toronto and Montreal and this service may be extended to other cities. The railways may follow the practice adopted by some of the American lines and establish a combine rail-air service for trans-continental travel.

Above all, Aviation Corporation should do much to do away with the opinion held by many that commercial aviation is a shaky and "fly-by-night" business. With responsible interests back of the company, adequate capital, and sound management, aviation in this country will take on a new and greater importance.

LABORITES MAY ADOPT CAUSE OF PROTECTION

(Continued from page 1)

the last increase in the income tax. Still another increase in the income tax is probable in the next budget. Employers and employees, who also contribute to the dole, are being compelled to add to their payments when their resources are diminishing.

Prosperity Only Superficial

The casual observer and tourist gets the impression of at least a superficial prosperity in Britain. There is much building in London due, to a considerable extent, to the high ground rent and municipal taxation and the consequent necessity for building of a size and character to carry the property. About 1,000,000 substantial two-storey homes have been constructed in all parts of the country under the government housing scheme. Merchants are doing a fair business because the dole is giving each family enough for necessities of life. Then, too, there still are many well-to-do persons in Britain with good spending power.

In spite of these surface evidences of prosperity, the business curve is steadily downward. Export trade has shown a steady decrease, although the export trade of other countries, notably that of Germany, Britain's great rival, has been growing.

Eating into Capital

Business men know that the country is meeting its expenses out of capital instead of revenue. Working men are dissatisfied because of an upward trend in taxes and a downward trend in wages. A bare living from the dole is, of course, objectionable to the majority of those receiving it.

Under these circumstances, it would seem that a radical change in policy is the only ground for believing that the Labor party can save itself. As it is a minority ministry, an election could be forced at any time.

Stealing protectionist thunder may be effective in saving Labor, for the Conservative party is split. Beaverbrook and Rothermere have forced Baldwin and the Conservatives to shift their ground and they now are in a position which six months ago they very definitely said they would not take.

Beaverbrook Gains Ground

The Empire Free Trade policy which Lord Beaverbrook enunciated six months ago is no longer derided as an impossibility. Beaverbrook's retort that free trade is, like liberty, an ideal never absolutely attained but one which must always be striven for, has made an impression. Beaverbrook firmly believes that if Great Britain will take the leadership, the Dominions are prepared to co-operate in working out some such policy.

Beaverbrook believes that Britain must tax food in order to give a preference to the Dominions and Colonies on the one thing which, after all, the overseas parts of the empire produce in the largest quantity. Lord Beaverbrook has the support of Lord Rothermere; the newspapers of these two reach between 4,000,000 and 5,000,000 readers in Britain daily. Their power undoubtedly is great.

Mr. Baldwin at Sea

In the face of these contentions, Mr. Baldwin has been retreating with as much grace as possible. He first promised a referendum on the question of food taxes if he were elected. He has now dropped that and, instead, has promised a guaranteed price on wheat grown in Britain. This seems to be an absurd proposal, for Canada, Australia and other countries can produce wheat more cheaply than can Britain and the British farmer can use his land more profitably than in growing wheat.

Mr. Baldwin and the official Conservative party so far, however, have refused to fall in line with Beaverbrook and Rothermere, although the newspaper lords announce that if the Conservative party does not adopt this policy candidates will be put into the field and their campaign financed out of newspaper resources and public subscriptions.

There is no doubt that the campaign of Beaverbrook and Rothermere has swung thousands of people to the Empire Free Trade policy, or some policy which would definitely promise to develop trade within the empire.

Bankers' Ukase Helps Cause

The manifesto of leading British bankers, stating that the free trade policy had failed and advocating a policy of protection with preferences to the Dominions, has created a profound impression. The chairman of four of the five leading banks of the country are recognized as men whose interest is to promote the economic welfare of the nation and even the rank-and-file of workers know that this means keeping factories busy and jobs plentiful. A most significant change in sentiment is that of the Rt. Hon. Reginald McKenna, former chancellor of the exchequer, and an out-and-out free trader. He has renounced his old views, saying that the present circumstances demand a policy of safe-guarding and protection.

It may be asked in what position the Liberal party finds itself at present. Its fortunes at the moment are at a low ebb and observers can see no future for it except disintegration, with perhaps the greater portion going over to Labor and the less radical going to the Conservatives.

Lloyd George, as leader of the group holding the balance of power in the present House, could force an election at almost any time. That he seemingly is not inclined to do so indicates that he does not think an election would improve the position of his party.

Parley Looms as Important

The issues, then, are as between the Laborites and the Conservatives, with the chance of success for Labor fairly good so long as the Conservatives are conducting an internecine strife.

The point of greatest interest for Canada, however, is not whether Labor or Conservatism can win an election, but that both parties apparently are leaning perceptibly toward a system of protection involving increased preferences for the Dominions.

It is a matter of no little satisfaction that the man who will preside at the next Imperial conference, which convenes on September 30, will be the Rt. Hon. J. H. Thomas, who recently has assumed the portfolio of secretary of state for the Dominions.

Thomas is Sympathetic

Mr. Thomas undoubtedly is the most conservative member of the MacDonald cabinet. He has stated definitely that no subject will be excluded from discussion at the conference, which means that the present ministry is prepared to consider the questions of protection and preferences.

While Mr. Thomas never definitely has come out for protection, he did tell me four years ago in an interview which I cabled to The Financial Post, that he would favor some plan which would give the Dominions an advantage in the sale of their food products in Great Britain. This might be done, he intimated, in the way of free elevator storage, by group buying, by bonuses to steamship companies or by some other method. At that time Mr. Thomas was a member of the opposition and nothing came of these ideas, but the expression of them then leads to the belief that, if the Labor party swings to some form of protection and Empire trade, Mr. Thomas will be one of its strongest advocates.

The rapid change which has taken place in Great Britain in recent weeks makes it probable that the 1930 Imperial conference will be the most important ever held. The attitude that Canada's representatives will take cannot be determined, of course, until our elections are over, but it is safe to assume that the policy of this country will be to co-operate in any constructive step toward increasing our trade with the Mother Country. This is not only patriotism, but self interest.

Chain Store Sales

About one ninth of the estimated total retail sales in the United States are made from chain stores whose distribution during the past 20 years has grown from less than $500,000,000 to more than $5,000,000,000.

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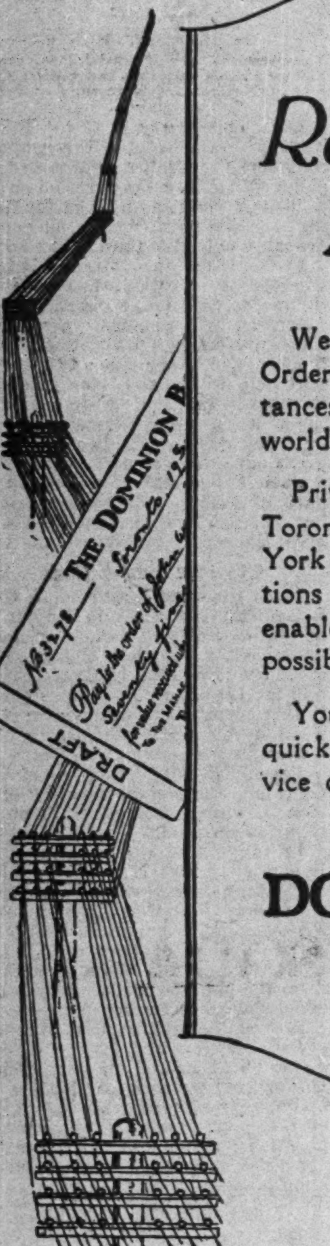

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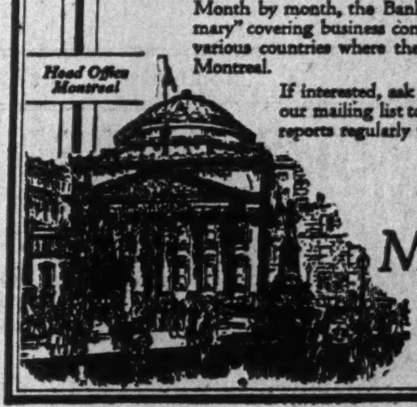

BUSINESS and AGRICULTURAL INFORMATION

DURING the growing season periodic reports on crop conditions throughout Canada are issued by the Bank of Montreal.

Month by month, the Bank publishes a "Business Summary" covering business conditions in Canada and in the various countries where there are offices of the Bank of Montreal.

If interested, ask to have your name placed on our mailing list to receive either or both of these reports regularly without charge.

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Announcement

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The
Prudential Assurance Company
Limited
OF LONDON, ENGLAND
will, on the 1st of August, 1930, transfer its
HEAD OFFICE FOR CANADA
from
460 St. John Street, Montreal
to
THE DOMINION SQUARE BUILDING, MONTREAL

The former address will be maintained as a subsidiary office.

The Company now holds a Dominion License to transact Life Insurance business in addition to Fire, Automobile and Casualty Insurance.

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JAMAICA SERVICE EARNINGS IN MAY ON SOUND BASIS

Gross Up 9 Per Cent and Net Higher by 14 Per Cent

From Our Own Correspondent

MONTREAL.—Gross earnings of Jamaica Public Service, Limited, in May showed a substantial increase over the figures for May, 1929, while net and surplus after charges also revealed gratifying gains. Gross earnings were up 9.10 per cent, net earnings were higher by 14.18 per cent and the surplus after charges showed a gain of 19.98 in comparison with the same month a year ago.

The steady increases in earnings which have marked the company's progress since its inception are a reflection of expansion undertaken. While new equipment has been installed from time to time, the company has also acquired two new properties since 1928.

In that year it purchased a minority interest in the Kingston Ice Making Company, a Jamaican corporation doing the entire ice and cold storage business in Jamaica and vicinity. The company's most recent acquisition, however, is the St. James Utilities of Montego Bay. This concern operates the electric light, power and ice making business in the district and, though comparatively small property, has potentialities.

Locality May Grow

Montego Bay is the second largest town in Jamaica, is favorably regarded as a health resort, and the dominant position held by St. James Utilities in the district should reflect expansion which may occur in the locality. It is also reported that negotiations are under way for the acquisition of an electric light and ice business in another part of the island.

The city of Kingston and its environments are, of course, the scene of the chief operations of Jamaica Public Service. It operates the tramway service and the entire electric light and power business in the territory; its generating stations at the end of 1929 had a productive capacity of 3,700 k.w. of which 900 was hydro and 2,800 was steam.

While increased demands for lighting and power in Kingston has been reflected in earnings of the company, Jamaica Service has been untiring in seeking to develop new outlets for its power. Artesian wells have been drilled in an arid part of the island and lands which heretofore have been useless for banana growing have been converted in fertile and productive areas through irrigation. Jamaica Public Service benefits by the sale of power for pumping water.

Enters Into Contracts

In this respect, the company has entered into contracts to pump water for the United Fruit Company at two pumping stations. In addition, further contracts have been arranged with other banana organizations, factors which have resulted in a definite increase in the load delivered by the company's generating plants. This has increased from 4,710,810 kw.h. in 1924 to 6,775,238 in 1929. Steps are being taken to promote further sales of power in this particular field.

In 1928 Jamaica Public Service felt the effect of bus competition in the operation of its tramway system and the number of passengers carried fell from 9,671,524 in 1927 to 9,183,521 in the succeeding year. Steps were taken to combat this decline and three of the company's own buses were placed in operation. This aided the situation considerably and in 1929 passengers carried rose to 9,371,850. Current conditions are considered satisfactory. The company has 51 revenue type cars in operation and operates 26 miles of track.

Is Holding Company

Jamaica Public Service, Limited, is a holding company. Actual operations are carried out by a subsidiary, Jamaica Public Service Company, Limited. Canadian investment interest in the operating subsidiary is largely confined to its bond issue. In addition to this Jamaica Public Service Company has outstanding $750,000 of 7 per cent preferred and $250,000 of preference B stock on which a similar dividend is paid.

In 1928 Jamaica Public Service, Limited, was incorporated in Canada and acquired all the capital stock of the Jamaica Public Service Company through an exchange of common shares. The holding company, therefore, has outstanding 44,985 shares of capital stock which are listed on the Montreal Stock Exchange. No dividend has been paid on this stock to date though it is expected that a distribution will be made in the near future.

FORM MARITIME FISH ASSOCIATION

Local Units Will Function Throughout Atlantic Area

From Our Own Correspondent

MONTREAL. — Maritime fishermen have banded together and formed the United Maritime Fishermen Association. Local units of the U. M. F. have been founded in nearly every fishing centre in the Maritimes, the object being to advance the industry in all its aspects, and to secure to the fisherman a fair return for his labor.

One of the chief advantages of the organization is that it enables the recently established Department of Fisheries to carry on its activities at Ottawa, looking to the preparation of the highest-quality products from all standpoints in a more effective way than could otherwise be done.

Reports of monthly landings of fish during the present season indicate unusual activity on the part of the fishing industry. Following are the comparative figures for the first three months of the current fiscal year, as against those of 1929:

	April, 1929.	April, 1930
Catch, lbs.	21,495,800	25,353,600
Landed, value	$689,818	$940,600
	May, 1929.	May, 1930.
Catch, lbs.	83,039,500	89,272,400
Landed, value	$2,228,847	$2,375,478
	June, 1929.	June, 1930
Catch, lbs.	81,149,000	73,372,900
Landed, value	$2,270,355	$2,112,792

Trawler Operations Restricted

The drop of slightly over seven million pounds in June is partly accounted for by the decrease due to the restricted operation of trawlers under the recently instituted Fisheries Act amendments. The quantities of fish landed on the Atlantic Coast from such vessels is dropping month by month. The regulations which require the operators of foreign-built trawlers fishing out of Canadian Atlantic ports, to pay one cent per pound on certain varieties of fish, and two-thirds of a cent landed from Canadian-built trawlers, became operative in April of this year. The landings for April were over 2,500,000 lbs.; but for last month they were less than one million lbs. Since the amendments became effective, one concern has withdrawn its trawler from service.

The collecting of the landing fee by the fisheries inspectors is being strictly enforced. For the most part the trawler companies are understood to be adjusting themselves to the new system, with the exception of one corporation which is now confronted with litigation instituted by the Government for non-payment of this impost. The sum involved is believed to be in the neighborhood of $40,000.

China Is Vast Market For Canadian Products

Experienced Export Sales Manager Gives Valuable Hints on Gaining and Holding Market

By A. B. WAKEFIELD,
Chairman, Canadian Sales Managers' Association.

That manufacturers just require a "lead" cannot be doubted judging by the number of enquiries received from various parts of the Dominion concerning my article on export opportunities which appeared in a recent issue of The Financial Post. Quite a few queries have been tendered and for the benefit of those organizations who are interested in overseas markets and in China particularly I will deal with the question: "Is it necessary to carry stock in China?"

I regard this interrogation as embodying maximum importance as I am well aware of a number of firms who have purposely refrained from entering the Far Eastern markets for the sole reason that they have been under the impression to create and develop business, it would be imperative to have stocks available at either Hongkong or Shanghai.

Samples Are Enough

Much depends upon the class of merchandise but right here my advice to those organizations who contemplate testing the Far Eastern fields is that the responsibility of carrying stock is altogether unnecessary . . . . at least from the commencement of operations. Such items as canned foods, paints and varnishes, textiles (cotton and woollen piece goods) stationery, electrical fittings, men's head wear, cycles, office appliances, including safes and various similar classes of goods and all having a ready demand (conditionally that both quality and price are right) may all be negotiated from "sample collections."

Obviously such products as newsprint, waste newspapers, rubber flooring and linoleums and most articles of bulk capacity are always sold from sample. But machinery, automobiles and trucks, cranes, (electric, steam and hand-power models, etc.) are invariably put into showroom, warehouse, go-down or the like fixed completely for the purpose of efficient demonstration.

Piece Goods Market

China is a vast market for all classes of textiles ranging from the cheap cotton prints to the higher grade of worsteds. The popular demand for woollens usually calls for good medium qualities and for the past few years an interesting business has been manipulated with tweeds 15/16 ozs. for men's wear. Although the European section has been severely troubled in the central and northern areas, there nevertheless remains a reasonably large number of Europeans in both Hongkong and Shanghai and there is accordingly a satisfactory business to be done with the better grade of serges, indigo and commercial, and worsteds from 16 to 20 ozs. intended for suitings.

It naturally follows that in such a vast cosmopolitan country as China there exists excellent possibilities for "shoddy" cloths, not only suitings but overcoatings. I am informed of a recent order for 500 half pieces of coatings 54/56 in.—24/28 ozs., each half piece measuring not less than 30 yards, this indent being one of quite a number which invariably go to the Batley (Yorkshire) district. I am much inclined to think that some difficulty would be experienced here in Canada in producing similar fabrics, particularly at the price, but I simply mention this indent in passing to show that the organization which obtains this business specialize in every detail for the Chinese market and regards this business as being part of its yearly expectancy.

Very few European manufacturers carry stock of an grade of textiles as most of the business is accomplished from good size "feelers."

Cycles In Chinese Market

China is decidedly one of the best markets in the world with the exception of Holland, for cycles. The business is practically controlled by London and Birmingham.

Machines are shipped in crates of from four to eight machines per crate and are generally assembled at destination. Usually the merchants' transfer is affixed to the machine, but in some cases the English trade mark only is permitted. The average price current is astonishingly low. I know quite small consignments as well as quantities have been shipped at prices approximately $13.50 per cycle C.I.F., Hongkong.

Sampling Must Be Well Done

It is of the utmost importance that sampling should be done with meticulous care. Prices should be based on C.I.F. destination, packing included, of course, but it is always advisable to permit the representative to have available the F.O.B. Canadian port price as well.

When printed trade-marks or labels are required it is necessary that at least a portion should be printed in the vernacular of the country. At the same time it is equally necessary to have the Canadian wording prominent. The Chinese merchant gives preference to brilliancy of colors in all matters of printing details and this should not be overlooked in the preparation of printed matter. Manufacturers would be well advised to submit first all copy suggestions to the resident representative or to the agents as the case may be. It would not only save considerable time but probably lots of worry and money.

Tools and Miscellaneous Goods

There is a fairly regular business both in Hongkong and Shanghai for tools. A big slice of the present business goes to the United States but a certain better class trade is maintained by Sheffield and Birmingham (Eng).

FRONTENAC OIL PLANS REFINERY IN PRAIRIE AREA

Will Build if Business Keeps Expanding as in Past

From Our Own Correspondent

MONTREAL. — McColl-Frontenac Oil Co. has under consideration plans for the establishment of a refinery in Western Canada for the manufacture of Cyclo gas.

During the past three years, sales of McColl products in the West have grown rapidly. In the last eighteen months, for example, 22 new filling stations have been opened up in Winnipeg. It is in order to more adequately cope with this growing demand, that the company has under consideration the expenditure of $1,500,000 for the refinery.

Sales of gas and oil by the company during the current fiscal year continue to show substantial increases over those reported for the corresponding period of 1929. It is estimated that this increase approximates 25 per cent. It should be remembered, of course, that the company has in operation a larger number of service stations than was the case last year. According to an official statement, the company now has 204 Red Indian service stations throughout the country. It is not stated whether this figure includes independent stations, selling McColl-products.

Earning Power Expands

During the year ended January 31, 1930, McColl Frontenac reported earnings equivalent to $1.92 on the 500,000 shares of no par value common stock outstanding. This compares with $1.42 a share reported during the preceding year.

At the end of January the company had in operation approximately 104 branches and 188 service stations. The latter, as already mentioned, has increased to 204 stations. These units are supplied by two refineries, one at Montreal East and the other at Toronto, with a combined daily capacity of 10,000 barrels of crude oil. Transportation of crude oil is provided through a fleet of five oil tankers, three of which are on the Great Lakes and two on the ocean. Distribution to stations is accomplished through 136 tank cars and 195 tank trucks.

Liberty Cherry Finds in Canada Field for Plant

Liberty Cherry and Fruit Co. of Kentucky, packer of Maraschino cherries in the United States, has formed the Liberty Cherry Co. of Canada to process and pack maraschino cherries in a plant leased at 349 Carlaw Ave., Toronto. Canadian business of the company is reported to have expanded to a point where such a plant was regarded as necessary.

The raising of the United States tariff, according to Canadian Grocer, is responsible for hastening the new development. The company was formed in 1914 to import Italian cherries and put them up in the United States for domestic and export trade. The increase in the tariff puts United States plants, built up on these cherry supplies, out of line as to costs.

Though the 5,000 square feet of space now leased in Toronto is only intended to supply the Canadian trade, it is expected that eventually it will be an important export factor. That the venture has been seriously considered, and will be pushed, is indicated by the fact that Thomas H. Bell, vice-president of the Kentucky company has come to Toronto to take charge of the Canadian subsidiary.

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THRIFT STORES SALES SHOW GAIN IN FIRST QUARTER

Makes Application for Listing of First Preferred

From Our Own Correspondent

MONTREAL.—With 45 stores in operation as compared with 28 a year ago, total sales of Thrift Stores, Ltd., for the first quarter of its current fiscal year ended June 30, showed an increase of 56.2 per cent. Sales amounted to $681,460 as compared with $436,177 in the same period a year ago.

In the three months period recently completed it is stated that the ratio of profits growth has been well maintained and that the showing comes up to the estimates of the management. While definite figures are not available it is understood that the increase in operating earnings is at a larger percentage than the increase in dollar sales turnover. In view of the decline in commodity prices the gain in sales volume has more significance.

Thrift Stores operates a chain of grocery stores in Montreal while one unit has been opened in Ottawa. Within a short time it is planned to open three more stores in Montreal while a further 15 will be added in the course of the next three or four months. Eventually the management plans to continue this expansion in Montreal until about 100 stores are in operation. After that the company may enter the Ottawa field in a broader scale.

Sound Earnings Shown

Thrift Stores published a statement covering operations from August, 1929, to March 31, 1930. The income account showed net earnings for that eight month period of $54,488, and a net profit of $39,098. After deduction of first and second preferred dividends there remained a sum equal to $1.18 a share on the common stock, of which there are 20,000 shares outstanding. In this period the ratio of net operating profits to total sales worked out at slightly less than better than 2.6 per cent. This compares favorably with the average ratio of similar larger chain store units.

At present the securities of the company are not listed. There is issued $350,000 par value $25 of this stock which pays a dividend of 6½ per cent. Junior to this there is $120,000 of $10 par value second preferred stock and the common shares. Both classes of preferred are convertible into common. The first preferred can be exchanged for two shares of common and the second preferred is convertible on the basis of three for four common.

Thrift Stores was formed in 1928 to acquire a chain of stores formerly operated by a company of the same name, and a wholesale grocery business operated by M. Rudolph, Limited. The Rudolph company is now operated as a wholly owned subsidiary and its earnings are consolidated with those of the parent company.

USE BLUE POST BOXES

Sky-blue post boxes are being used in London, Eng., for the collection of air mail and the post office department has introduced air mail stamps in pocket-books.

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Reid Aircraft Curtail Output For Time Being

From Our Own Correspondent

MONTREAL.—Curtiss-Reid Aircraft has laid off temporarily about 75 per cent of its employees. The sharp curtailment in operations is attributed to the company's unwillingness to incur additional and unnecessary expense in face of present conditions.

It is pointed out that possible orders for machines by the government have been witheld owing to the imminence of the election and that it has been considered unwise to go ahead with plant operations on a broad scale until conditions are more settled. Orders for private delivery are being assembled by the present staff.

It is stated that various improvements have been made to the factory at Cartierville since its completion and that it is in good shape to handle prospective business. Good results have been obtained by the installation of a Hermes engine in the company's product, the Reid Rambler, and it is possible that this may become standard equipment.

The shares of Curtiss-Reid have dwindled on the Montreal Curb to 1¼ and the preferred stock is selling around 6½. Earnings of the company in 1929 were not satisfactory and the income account showed a deficit of $133,322 after all expenses and depreciation.

It is understood that the company has delivered 9 planes to the government during the current year; in addition to sales to individuals.

Crown-Zellerbach Corp. Shows Increased Assets

Crown-Zellerbach Corp., which controls Pacific Mills Ltd., had total assets of $118,580,848 according to the consolidated balance sheet recently issued which showed the position of the company as at April 30. This figure compares with $109,190,568 shown for April 30, 1929. The current position of the corporation remains unchanged with current assets of $20,452,245 and current liabilities of $8,191,001 as compared with $20,354,492 and $7,890,395 respectively in 1929.

The corporation shows a surplus of $4,300,929 as against $3,939,391 in the previous year. Lands, timberlands, leases, etc. after depletion, are carried at $35,877,570, an increase of $464,770, and buildings, machinery and equipment are shown at $49,571,189 after depreciation. The latter figure compares with $43,930,968 in 1929.

COLD RUINS COFFEE PLANTS

One of the coldest winters since 1918 is being felt in Southern Brazil, with ice formations reported at Sorocaba, Sao Paulo State, where the temperature was one degree below zero. Twenty towns in the State of Rio Grande do Sul have recorded temperatures of between one and nine degrees below zero.

More than 6,000,000 coffee plants were reported ruined by the cold in Sao Paulo State.

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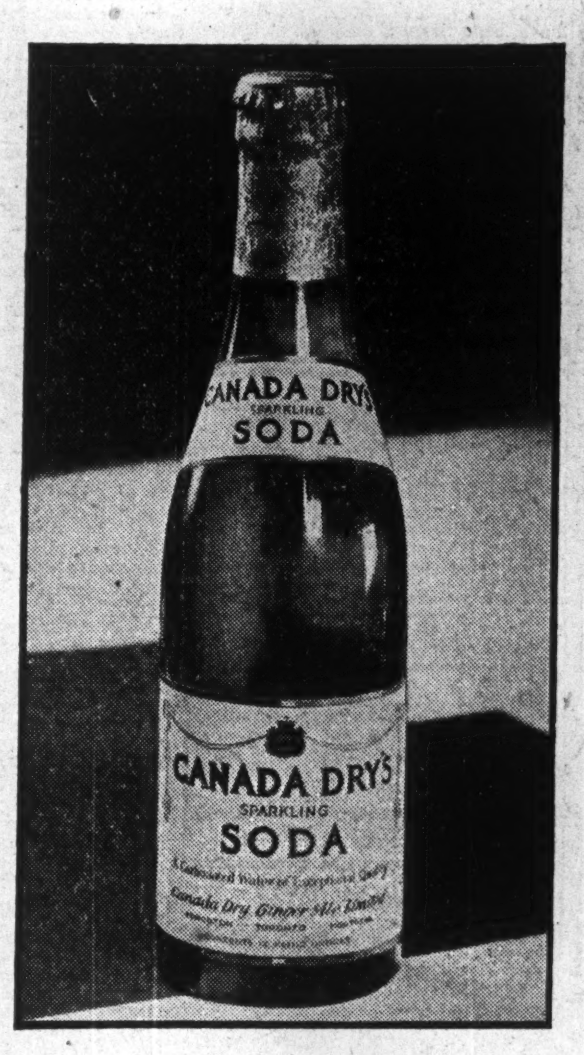

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Public Utility Investments

MONTREAL POWER CUSTOMERS APPLY ON 500,000 SHARES

May Limit Allotment Where Applicant Has Many Contracts

From Our Own Correspondent

MONTREAL.—Though final figures will not be available for some time, any doubt as to the success of Montreal Light, Heat and Power Consolidated customer's stock ownership campaign is dispelled by the official estimate that some 60,000 subscription were received for an approximate total of 500,000 shares.

This means that an average of more than one of every five Montreal families will own stock in the company at the end of the two year payment period.

Such a reception of the company's offer is rather more remarkable when it is recalled that it was undertaken without advertising of any description—with the exception of a bare newspaper announcement — in what was reported to be a period of depression.

May Limit Distribution

Subscription for shares greatly exceeded earlier estimates and while the company hopes to allot all subscriptions in full it may become necessary, when the final revision has been completed, to reduce the number of applications acceptable from customers having a number of contracts. The company, however, confidently expect to be able to fill all single subscriptions for from one to ten shares in full.

Payment of the August installment will not be expected from customers until they have received a pass-book containing bills which are to be used for making future installments. This pass-book will also constitute an acceptance of subscription, notice of allotment and receipt for amount of the first installment.

Supply Capital Needs

The success of the customer ownership campaign assures the company with sufficient capital to take care of its capital expenditures over the next few years. In the event of the company issuing the full 500,000 shares, the treasury will be enriched by $25,000,000. When this figure is added to that representing the cash payments to be made within 12 months on the rights offered to old shareholders, which amounts to about $20,000,000, a total of $45,000,000 is obtained, of which between $27,000,000 and $28,000,000 will be met within the next 12 months by a public namely confined to Montreal and suburbs.

Of the money received by the company $10,500,000 will be used to take up mortgage bonds maturing at an early date. The balance will be used on capital accounts. At present the company has in progress, construction of an additional 22,500 kw. installation at the Vallee substation; additional 90,000 kw. installation at the Atwater substation; additional 22,500 kw. installation at the Beaumont substation; a new station in Montreal East with a capacity of 30,000 kw. A steel power transmission line from Cedars via Beauharnois to Atwater substation, Montreal, is to be built. Furthermore, the company has under way construction of a 10,000,000 cubic feet gas holder, made necessary by the increasing demands of the territory.

In addition to the foregoing, ordinary extensions to gas and electric distribution systems will acquire at least $2,000,000 per annum in the years just ahead.

Little Treasury Stock

At the present time the company's capitalization consists of an authorized bond issue of $75,000,000 and 5,000,000 shares of no par common stock. Of the bonds $34,306,000 have been issued and the common stock, 4,083,674 shares. When the stock rights have been paid and issued, the company will have outstanding 4,492,041 shares. If the company approves the issue of all shares subscribed for by customers, namely, 500,000 shares, the limit on the authorized share capital will be about reached.

More Work in Prospect for Dominion Bridge Co.

From Our Own Correspondent

MONTREAL. — The Winnipeg plant of the Dominion Bridge Company stands a good chance of securing contract for the construction of the new bridge to replace the present Norwood bridge over the Red River. Plans have been approved by the cities of Winnipeg and St. Boniface and it is estimated that the cost will be about $617,000.

Another job in prospect for the Western plant of the Dominion Bridge Company, is the proposed new hydro-electric development at Horse Shoe Bend on the North Saskatchewan River. If the Saskatchewan Power Commission approves the project, Montreal interests are prepared to go ahead with it.

Investors' Syndicate

Assets of Investors Syndicate of Minneapolis increased $2,697,541.68 during the first six months of 1930, E. M. Richardson, treasurer of the company, announced. The increase in assets as of June 30, 1930, showed a gain of more than 7 per cent over the total as of Dec. 31, 1929, according to the company's financial statement.

Public Utility Earnings

Southern Canada Power

	1930	1929	Inc.
June—	$	$	$
Gross	179,020	164,525	14,495
Op. exp. ...	70,462	63,225	7,237
Net	108,558	101,300	7,258
	1930	1929	Inc.
9 months—	$	$	$
Gross	1,696,994	1,572,841	124,153
Op. exp. ...	613,013	544,015	68,998
Net	1,083,981	1,028,826	55,155

Brazilian Traction

	1930	1929	Inc.
June—	$	$	$
Gross earn..	4,146,884	4,210,893	*64,009
Oper. exp...	1,675,645	1,783,601	*107,956
Net earn. ..	2,471,239	2,427,292	43,947
Aggre. gross earn. from Jan. 1	24,286,359	24,037,025	249,334
Aggre. net earn. from Jan. 1	14,021,020	13,760,385	260,635

*Decrease.

Can. Western Natural Gas

	1929	1930	Inc.
	$	$	$
January	250,575	362,736	112,161
February ...	323,932	281,453	*42,479
March	204,024	237,024	33,000
April	198,285	177,978	*20,307
May	131,211	127,595	*3,616
Aggre. from 1st. Jan. to 31st May	1,108,027	1,186,786	78,759

*Decrease.

Nelson Receives Offer for Utility

From Our Own Correspondent

VICTORIA, B.C.—Realizing the large possibilities of Nelson's major public utility, English capital represented by Dai Thomas has offered the Nelson city council $2,000,000 for the city power plant and electric system, and has asked an early conference on the proposal to buy. The communication to the council sets forth that should the deal go through, the new company would require "an exclusive franchise for twenty-five years, with an option of renewal for a similar period, and would obligate itself to give the municipality continuous power, compensation for failure so to do to be made under an agreed penalty."

Included in the programme would be "the building of two distinct transmission lines from the power plant to the city, substitution of a rapid autobus service for the present street railway system at the rates at present charged," and various other betterments.

BRETON ELECTRIC PASSES INTEREST ON FUNDED DEBT

Troubles With City Reach Point Where Bonds Defaulted

From Our Own Correspondent

MONTREAL.—Cape Breton Electric Co. has passed the bond interest, due July 1, 1930, on its first mortgage 5 per cent bonds, and on the first mortgage 5 per cent bonds of Sydney & Glace Bay Railway Company, guaranteed by the company.

Directors of the Cape Breton company at the annual meeting held on June 30, 1930, decided that financial conditions and cash resources did not warrant payment of July interest on either issue.

The statement issued to bondholders read in part: "A considerable portion of mortgage properties provide a tramway and ferry service, earnings from which have been declining for some years past and have now reached a very low level, so that they contribute only slightly to support of that part of security issued against this branch of business."

Trouble With City

Troubles of the Cape Breton Company have been brewing for some time. Last fall civic officials of Sydney made a move to have the municipality take over the power distribution plant of the company upon the expiration of the company's contract with the city in 1930. This action arose, through the feeling that the city was being charged excessive rates for its power supply.

The provincial government was asked to pass legislation empowering the company to acquire, install, and operate its own plant, without taking over the generating plant of the Cape Breton Electric Company. The city did not want to take over more of the existing plant than the distribution system, but officials and counsel for the company held that the generating plant must also be purchased by the city. Legislation was passed, however, along lines favoring the municipal authorities.

The next development in the fight between the company and the civic officials, was the passing of a reduced schedule of rates by the Nova Scotia Board of Public Utilities. The new tariff cut the electric light and power rates charged by the Cape Breton Electric Company in Sydney, from 12 to 6½ cents per kw.h. This new schedule did not meet with much favor and the mayor of Sydney is quoted as saying that the new rate was still 6 per cent in excess of the rate in effect in Halifax and in New Glasgow.

Monthly reports of earnings this year, as compared with the corresponding periods of 1929, show a gradual decrease in net operating revenue. There was a slight gain in January, but the returns for February and March were more than sufficient to offset the January increase.

Fight to Finish

Meanwhile the company continues its fight with the city. Cape Breton has announced that it will continue to supply light and power to Sydney and to the surrounding towns, after the erection of the proposed municipal power plant, and that it will continue to do so as long as its finances permit.

All the property in the company not producing dividends, will be liquidated in an effort to raise as much capital as possible. The tram lines between North Sydney Mines will be discontinued, and the track will be taken up shortly. Permission to do this has been granted by the Board of Public Utilities. It is also stated that the Sydney-North Sydney ferry boat service will be discontinued as soon as a buyer can be found for ships on this route.

Quebec Power Co. Extend Tramway Line

From Our Own Correspondent

MONTREAL.—As the result of an ordinance from the railway commissioners, the Quebec Power Co. is authorized to extend its street car service in St. François d'Assise and Charlesbourg, as far as the city limits, and work on the additional stretch is to begin at once.

At present the track only runs as far as the new Canadian National Railway tunnel, but the extension is expected to be completed and in operation by the start of next winter.

Gordon W. Scott Resigns from Power Corp. Board

From Our Own Correspondent

MONTREAL. — Another company which lost Gordon W. Scott from its directorate on account of a recent amendment to the companies act, is the Power Corporation of Canada. It will be recalled that this amendment provides that no member of a firm of chartered accountants, which audit the books of a company, shall hold a seat on the board of directors on that company.

Mr. Scott's resignation is in conformity with this amendment.

B.C. POWER CORP. COMPLETES CUT OF LONG TUNNEL

Bridge River Project Will Be Finished in Two Years

From Our Own Correspondent

VANCOUVER—The longest power tunnel in Canada has just been cut through by B. C. Power Corp. at its Bridge River hydro project. This is part of the company's big construction programme which ultimately will involve an expenditure of $14,000,000 in that one district. The tunnel, two and a half miles long, will supply nearly 600,000 horsepower, which will be used by the B. C. Electric Railway in Greater Vancouver.

Has Record Size

Not only is the tunnel the longest of its kind in Canada; it is also unique in the fact that the volume of water passing through it will have a head of 1,200 feet, the highest in Canada. Some conception of the height and pressure may be had by comparing the 1,200 foot drop to that of Niagara Falls, 162 feet at the highest point.

Dam, penstock and transmission lines and power houses in connection with the Bridge River development will not be completed for about two years.

The cost of the actual tunneling has been placed at $1,750,000, but to this must be added the cost of concrete lining which is now being installed. It was at first planned to build a temporary tunnel to carry a flow while the big tunnel was lined with concrete, but some time ago this plan was abandoned in favor of completing the bore to its final diameter of fourteen feet three inches.

Tunnel Through Mountains

Bridge River is a large stream some 135 miles north of Vancouver, originating in glaciers on the eastern slope of the Coast Range. It flows eastward into the Fraser at a point about five miles north of Lillooet. On its way eastward the river flows within two and a half miles of Seton Lake but 1,200 feet above it, being separated from the lake by a high range of mountains. The scheme in brief has been to tunnel through these mountains and thus utilize the head of water made available by the difference in level between the river and lake for the production of electric power. The power house will be located on the shore of Seton Lake about 150 miles by water and rail from Vancouver.

The power house will be linked with Vancouver by means of a high voltage tension line operating at 220,000 volts. This is the highest voltage at which any power lines are at present operating.

BRAZILIAN EARNS $14,021,020 NET IN 1930 TO JULY

Declining Expenses Enable Net Gains to Outstrip Gross Increase

Brazilian Traction Light & Power Co. had gross earnings for the first half of 1930 amounting to $24,286,359, as compared with $24,037,025 for the same period in 1929, a gain of $249,334. Because of savings in operating expenses, net revenues of $14,021,020 for the half year, show a gain slightly larger than the gross increase at $260,635 over the total of $13,760,385 given for the first half of 1929. Gross earnings for June, 1930, showed a decline of $64,009 from the previous June, the respective figures being $4,146,884 and $4,210,893. Because operating expenses for June declined by $107,956, net earnings for June at $2,471,239 were $43,947 ahead of net earnings for the previous June.

January and June were the only months in the first half year of 1930 in which Brazilian Traction showed declines in gross earnings. In January net earnings also showed a decline. There were evident slight declines in operating expenses in January and May, but a sweeping decline was shown in June. If this persists it may have a considerable favorable effect on the situation of the company. It is to be noted that comparisons by months and quarters with the previous year now for the first time indicate a real comparative situation. The City of Santos Improvement Co. was acquired at the beginning of 1929, and comparative results were therefore unfair to 1928 and too kind to 1929. Now these figures are included in comparisons of 1929 and 1930.

There were 6,295,385 shares outstanding at the end of 1929, and this has been increased since that time to 6,358,339 shares by a stock dividend of 1 per cent on March 1. At the end of 1928 shares outstanding numbered 5,483,278. It would appear that earnings to June 30, 1930, applicable to the common shares are equivalent to an annual rate of $2.74 a shares as compared with $2.67 in 1929. Bond interest and other charges, depreciation and sinking fund reserves together required more than $11,000,000 in 1929. They should require no more in 1930, and have been so calculated to bring the above result.

Southern Canada Power Earnings Advance in June

From Our Own Correspondent

MONTREAL.—Net earnings of the Southern Canada Power Company for June last totalled $108,558. This compares with $101,300 for the same month a year ago, an increase of $7,258. During this period gross income advanced from $164,525 to $179,020, while operating expenses increased from $63,225 to $70,462.

For the nine months ending June, 1930, gross income totalled $1,696,994, and operating expenses $613,013, leaving net profits of $1,083,981. In the corresponding period of 1929 gross revenue totalled $1,572,841 and operating expenses $544,015, leaving a net operating income of $1,028,826, or $55,155 less than that reported for the first nine months of 1930.

Endow Business School

The Harvard Business School will receive an annual contribution of $250,000 to further the scientific study of business through the formation of a foundation to which each of 250 business leaders in the United States will contribute $1,000 a year.

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KINGSTON ELEVATOR COMPANY, LIMITED—
6% Bonds due 1950.
The company is a subsidiary of the Canada Steamship Lines Limited which unconditionally guarantees principal and interest of these bonds.
Price. . 97 and interest, to yield over 6.25%.

McCOLL-FRONTENAC OIL COMPANY, LIMITED
6% Bonds due 1949.
The company ranks third among oil refiners and distributors in Canada. This, its senior, security is convertible into common stock up to October 1st 1934.
Price. . 100 and interest, to yield 6%.

INTER-CITY WESTERN BAKERIES, LIMITED—
6½% Bonds due 1950.
The company operates prominent bakeries in nine leading cities of Western Canada. Each $100 of bonds purchased carries a bonus of ½ share of common stock.
Price. . 100 and interest, to yield 6½%.

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depends in the final analysis upon actual values. Prices were driven above values last fall and now the other extreme exists in numerous instances. Buying indiscriminately is always costly. Why not follow the example of thousands of successful investors who profit by The Financial World's exceptional facilities for giving the busy investor the vital "boiled down" information he needs. Take advantage of this "get acquainted" offer: Our July 30th issue and "Sound Investment Rules"—both free. Simply return this "ad" and your address.

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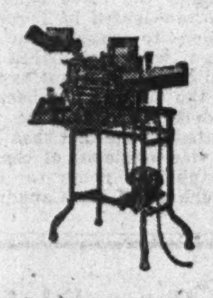

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Gasolene Sales Increase; Distress Imports Reported

Prospects for Imperial Oil, British American Oil, McColl-Frontenac, Supertest, Canadian Oil Companies and other large oil companies operating in Canada would appear to be excellent for 1930 in view of the fact that gasoline sales are currently running from 5 to 10 per cent ahead of the same period last year.

The situation is somewhat complicated by the fact that considerable distress gasoline is coming into Canada from the United States. Some of the smaller companies have been making larger profits as a result of these cheap supplies but there has been observable at some stations, however, a tendency to cut prices. How long this will last none can say; curtailment measures in the United States appear to be more successful at the present time than at any time since they were taken and the refinery curtailment now under way may restore the position so that the sales of distress gasoline will stop. Service stations in many cases are offering cuts in price to companies operating large fleets of cars.

Imports of crude petroleum into Canada appear to be larger than last year, another evidence that companies which manufacture as well as distribute are having a considerable business. The tourist business is living up to expectations so far as volume of cars entering Canada is concerned, and this is a strong influence in increasing sales.

Dominion Steel Stock Listed on Montreal Board

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announces the listing of Dominion Steel and Coal Corporation 841,760 common Class "B" shares, of the par value of $25 each. Ticker abbreviation will be "D.S."

A feature of the listing papers on this stock, is that the management is obligated to make quarterly returns on output and shipments. It was not possible for the management to comply with the request to supply a quarterly financial statement. This may be done later on.

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News of Investment Markets

PREDICT BONDS WILL CONTINUE PRICE ADVANCE

Present Strength Will Be Maintained For Some Time

DEMAND HIGH-GRADES

Short Term Financing Backs Statements as to Stronger Market

The outlook for a strong bond market which will continue well into 1931 is considered good by investment bankers who expect that prices will not only be maintained at the present level but will continue to gain. That this opinion is held in other quarters is evidenced by the amount of short term financing which has been undertaken by several of the provinces and larger municipalities in Canada doubtless in the expectation of being able to market their bonds during the next year at even higher prices than could be obtained now.

The most recent example of this tendency is the City of Montreal, which has secured $7,500,000 for the period of one year on a cost basis of 3⅝ per cent. In May Alberta secured $5,000,000 for six months, British Columbia issued $4,000,000 four per cent notes for one year at a basis of 4.40 per cent and New Brunswick secured $4,745,000 for one year at 3.75 per cent. In June, British Columbia again entered the market and sold $4,000,000 of nine month treasury bills at a reported cost of some 4.25 per cent.

C.P.R. Has Low Yield

The recent issue of $25,000,000 4½ per cent collateral trust bonds of the Canadian Pacific Railway Co., due in 1960, which were offered at 98 to yield 4.62 per cent marks the lowest at which similar bonds have been offered in Canada for some years. The last C.P.R. issue was offered in December, 1929, and consisted of $30,000,000 5's due in 1954, which were sold at par to yield five per cent. It is reported that the current issue has been sold, but it is probable that most of the bonds were disposed of in the United States since the yield was somewhat low for a ready sale in Canada.

While the demand for high grade bonds continues to be about the same it is believed that the supply held by dealers is not heavy and prospects of a new supply of provincials and municipals in the near future is slight. While there are always some municipalities coming on the market with new financing and several issues are in the offing the great part of the major financing of the first part of the year has been accomplished, and for the next few months there appears to be little in sight.

Stronger in Fall

With the summer half over there has been but little tendency for any falling off in bond prices and the general effect has been a tightening which should become even more appreciable in the fall months. The chief strength is in the high grade issues, including government and municipal bonds and the issues of the best public utilities and industrials. The market for real estate bonds is stated to be negligible and it is not expected that there will be any offerings of this type of security for some time to come.

Private investors who are making commitments in bonds are seeking issues for which there will be a ready market and which can be turned into cash with the least trouble. Many perfectly secure industrial and even public utility bonds cannot meet this test in Canada and canny investors are able to secure these bonds at prices which give excellent yields and on which the security is good. As prices of the government and municipal issues advance the natural tendency of the investing public will be toward industrial issues which will in turn rise in price under the increased demand.

Newfoundland Bond Bid Creates Record

From Our Own Correspondent

MONTREAL.—A group tender of Dillon, Read & Co., New York; Lee Higginson; Dominion Securities Corporation; Wood, Gundy and Company, and the Bank of Montreal, was accepted when tenders for $2,500,000 of the $5,000,000, 5 per cent loan authorized at the recent session of the Newfoundland legislature, were opened. The figure, 99.318, is said to be the highest bid ever received by the Newfoundland government.

Half the issue has already been subscribed locally by holders of 4 per cent debenture bonds, which expired June 30, these being exchanged for the new issue, which is tax exempt.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. Electric	6½%	25-yr.	Sep. 1	105
Avalon Tele. 1st. mtg.	6%	20-yr.	Aug. 1	105
Avalon Tele. deb.	5½%	1958	Oct. 1	100
Siemens & Halske	7%	1935	July 30	102
Wahnapitae Pr.	6½%	1944	Nov. 1	105
Federal Distillery	8%	10-yr.	Aug. 25	105
Hamilton Cataract Pr.	5%	1948	Oct. 1	110
St. Lawrence Pr.	*6%	1958	Aug. 1	105
North State Pr.	8%	....	Aug. 1	105
Bastrop Pulp	*6½%	1940	Aug. 1	101½
Foreign Issues—				
French Line	6½%	1951	Aug. 15	103
Norway	6%	1970	Sep. 1	100
Rep. of Finland.	*5½%	1958	Aug. 1	100
Roumania	*7%	1959	Aug. 1	100
Norway	6%	1943	Aug. 15	...
Norway	6%	1944	Aug. 1	100
Anglo French	4½%	1940	Oct. 15	100

*In part.

Authorize Debentures

The Windsor city council on July 14 authorized a $400,000 debenture issue, the proceeds to be used in constructing a new public school. The debentures will mature over a 30-year period.

Leading Stocks Change Times Earnings Ratio

Comparison Between 1926 and 1930 Shows Varying Trends Though All Have Improved Finances

Common stocks of leading Canadian companies are selling currently in many cases on a better bargain basis with regard to earnings than even in 1926. Intervening years are discarded in order to eliminate the effect of the period of increasing stock market excitement. All the companies mentioned in the following table are more powerful financially than in 1926, and it is therefore interesting to note the comparative scale of valuations.

The table shows the relation of earning power to market valuations wherever possible between the years 1926 and 1930, taking in each case the lowest figure at which the stock sold in 1926 and the earnings of 1926 and the earnings of 1929 with the lowest figure so far in 1930:

		Low	Earnings	Price Times Earn.
Montreal Power	1926	61	$3.46	17.43
	1930	52½	4.28	12.27
Shawinigan	1926	42	2.38	18.00
	1930	61	2.34	26.07
Steel Co. of Canada	1926	24	2.85	8.42
	1930	39⅞	4.91	8.12
Power Corp.	1926	27⅝	1.84	15.00
	1930	61½	3.22	19.10
Famous Players	1926	11	...	....
	1930	39¼	6.24	6.29
Imperial Oil.	1926 (a)	..	...	...
	1930	18	0.99	18.00
Page Hersey	1927	56	2.49	22.49
	1930	81½	11.29	7.22
Massey-Harris	1926	10	2.38	4.20
	1930	24¾	2.68	8.48

(a)—Imperial Oil did not give statements in 1926 and 1927. The only method of comparison is that it paid double the dividend in 1929 that it paid for 1926.

Stock splits and rights were offered in the case of the majority of these companies; the earlier market valuation has been made the equivalent of the present. Power Corporation has attained the results shown in spite of the fact that common shares outstanding have quadrupled in three years. Famous Players earnings must be considered in view of the fact that in the preceding year, 1929, the earnings were $1.44 a share. Page Hersey has improved its position materially by redeeming most of the preferred stocks. Massey-Harris results shown exclude the sum received from the sale of assets.

Bond Tenders

6 p.m., July 26, Port Colborne—$25,000, 5%, 20-year debentures. Interest payable June and Dec. 1. H. F. Johnston, treas.

July 31, Alliston, Ont.—$93,000, 5½%. 30-installment, sewer debentures, guaranteed as to principal and interest by the County of Simcoe. M. Lowery, clerk.

Bond Sales

DOMINION OF NEWFOUNDLAND

An international syndicate composed of Dillon, Read & Co., Lee, Higginson & Co., Dominion Securities Corp., Bank of Montreal and Wood, Gundy & Co. has been awarded $2,500,000 5 per cent debentures of the Dominion of Newfoundland, maturing June 30, 1955, at 99.318; a cost basis to the Dominion of 5.05 per cent.

The bid is stated to be the highest ever received by Newfoundland. The entire loan amounts to $5,000,000 but it is understood that $2,500,000 has been subscribed locally, the major portion having been issued in exchange for the 4 per cent debentures which matured on June 30.

Bids for the present issue were as follows:

1 Dillon, Read & Co., Lee, Higginson & Co., Dominion Securities Corp., Bank of Montreal and Wood, Gundy & Co. (payable in New York) .. 99.318
2 Bank of Montreal Nivison & Co. (payable in London) 99.0625
3 Kountze Bros., McLeod, Young, Weir & Co., Royal Securities Corp., W. C. Pitfield & Co., Chase Securities Corp., Rollins & Co., Lehman & Co. 98.30
4 Barclays Bank 98.125

BELLEVILLE, ONT.

R. A. Daly & Co. has secured $391,689 5 per cent, 10, 20 and 30-installment debentures of the City of Belleville, Ont. at 99.63; cost basis 5.04 per cent. The debentures mature as follows: $262,042 in 30 installments, $108,836 in 20 installments and $20,811 in 10 installments.

Bids for the issue were as follows:

1 R. A. Daly & Co., Hanson Bros. 99.63
2 Gairdner & Co., C. H. Burgess & Co. 99.372
3 Fry, Mills, Spence & Co. 99.344
4 Canadian Bank of Commerce, Stewart, Scully & Co. 99.328
5 McLeod, Young, Weir & Co., Bank of Montreal 99.187
6 Dominion Bank, Dyment, Anderson & Co. 98.86
7 Bell, Gouinlock & Co. 98.60
8 Wood, Gundy & Co. 98.52
9 J. L. Graham 98.50
10 A. E. Ames & Co. 98.27

TOWNSHIP OF STAMFORD, ONT.

A. E. Ames & Co. has been awarded $79,160 5 per cent 20 and 30-installment debentures of the Township of Stamford, Ont. at 98.11; a cost basis of 5.21 per cent. The debentures are dated December 20, 1929, and $65,770 matures from 1930-1949 and $13,390 matures 1930-1959. Bids for the issue were as follows:

1 A. E. Ames & Co. 98.11
2 Wood, Gundy & Co. 98.10
3 Gairdner & Co. 97.592
4 C. H. Burgess & Co. 97.19
5 Bell, Gouinlock & Co. 97.17
6 McLeod, Young, Weir & Co. 96.82
7 Bickle Clark & Co. 96.12
8 J. L. Graham & Co. 96.11

TOWNSHIP OF TORONTO

C. H. Burgess & Co. has been awarded $12,000 5½ per cent 20-installment debentures of the Township of Toronto, Ont. at 102.36, a cost basis of 5.22 per cent.

Bids for the issue were as follows:

1 C. H. Burgess & Co. 102.36
2 H. R. Bain & Co. 102.13
3 J. L. Graham & Co. 101.55

LETHBRIDGE

It is reported that A. E. Ames & Co. has been awarded $37,526 5½ per cent debentures of the City of Lethbridge at 102.11. The debentures are dated July 1, 1930, and mature $35,134 on July 1, 1950, and $2,392 on July 1, 1960. Other bids on the issue are not available.

WALKERVILLE AND EAST WINDSOR WATER COMMISSION

Wood, Gundy & Co. has been awarded $750,000, 5½ per cent 30-installment debentures of the Walkerville and East Windsor Water Commission at 100.40; a cost basis of 5.46 per cent. Debentures are dated June 30, 1930.

Bids for the issue were as follows:

1 Wood, Gundy & Co. 100.40
2 Gairdner & Co., C. H. Burgess & Co. 100.00
3 Bell, Gouinlock & Co., McLeod, Young, Weir & Co. 97.60

YORK COUNTY, ONT.

Dominion Securities Corp. and Bank of Nova Scotia have been awarded $721,000 5 per cent 20-installment debentures of the County of York on a bid of 100.075, cost basis 4.99 per cent. Bids for the issue were as follows:

1 Dominion Securities Corp., Bank of Nova Scotia 100.075
2 R. A. Daly & Co. 99.817
3 Canadian Bank of Commerce 99.78
4 A. E. Ames & Co. 99.69
5 Gairdner & Co. 99.61
6 J. L. Graham & Co. 99.57
7 Wood, Gundy & Co. 99.40
8 McLeod, Young, Weir & Co. 99.31

PORT CREDIT, ONT.

R. A. Daly & Co. has purchased $10,683 5 per cent 10-installment debentures and $7,009 5 per cent 30-installment debentures of the village of Port Credit, Ont. at 96.14.

Agricultural Survey

A Weekly Feature

Wheat Heading Out Hot Weather General

Wheat in western grain growing areas is headed out and stands of straw are uneven, while crop growth in numerous districts is very spotty. Hot weather with damaging winds has been experienced, and hail, which cut swaths in narrow strips, is reported from points throughout Saskatchewan and in some parts of Manitoba, according to the weekly report of the Canadian National Railways.

Manitoba—In Manitoba the weather has been warm and heavy rains followed the intense heat, with the result that crop growth has been phenomenal. Wheat and all coarse grains are now practically headed out, and along the Hartney subdivision barley cutting will commence about the end of the month. Haying is rapidly nearing completion and much sweet clover along the Neepawa subdivision is being harvested. Along the Rossburn-Wakopa subdivisions, fall rye crops are first class and some of the fields are beginning to turn and cutting should commence next week.

Alberta — General rains throughout central Alberta during this week have worked a marked improvement in crops, although there will be great variations in yields. Three Hills and Stettler subdivisions still desire more moisture, but they are more fortunate than many districts in the southern part of the province, as recent drought has materially cut the prospective yield to lower than average. Along the Vegreville-Camrose-Blackfood subdivision weather has been very favorable, and crops that were slow and backward have responded to the ideal weather conditions, and estimates are that wheat will yield a little better than twenty bushels per acre.

North of Edmonton to Athabaska and in the Peace River country warm, sunshiny days have dominated, interspersed with light showers. Wheat stands are averaging about 25 to 30 inches and heads are filling well.

Saskatchewan — According to telegraphic reports received over the week end by the statistics branch of the Saskatchewan department of agriculture, summer fallow wheat, although a little uneven in some places, is for the most part in fairly good condition in the western, northern and east central districts of the province, in the south eastern, south central and central parts crops range from fair to very poor. Stubble wheat is patchy and generally poor in the south and although it is reported in fairly good condition in the north more moisture would benefit the crop. Coarse grains are also patchy and range from poor in the south central to fairly good in the north. The need of more moisture is expressed in reports from southern and central districts while rain would be welcome in some of the northern sections. About 90 per cent of the wheat is in head. Hail has caused some damage in several parts of the province, being severe in sections of the west central, south eastern, and east central districts. A few traces of rust have appeared in scattered parts of the southeastern and east central districts. The weather since the last report has been generally warm and dry, but broken the latter part of last week with showers and some heavy rains. Pastures are only fair but livestock are in fairly good condition.

Ontario — The harvesting of fall wheat in the southwestern portion of the province more particularly in Essex and Kent, is quite general. Due to warm weather with cool nights during the ripening time, the heads are quite plump and the growers are anticipating much larger yields than they expected earlier in the season. Reports of agricultural representatives from other countries would indicate a fair average crop of fall wheat.

Spring grains are coming along splendidly, some fields of barley having been cut.

Rains have been rather heavy in some sections of Eastern Ontario and farmers are finding it very difficult to make a good quality of hay. The crop will be about an average one. Pastures have been aided by the showers and are excellent for this time of the year.

The tobacco crop in Essex county is reported as badly in need of rain.

Peas for canning give promise of a yield above the average. The Essex representative reports growers receiving $50 per ton for peas. The agricultural representative from Kent states: "The corn crop has made rapid growth recently and many splendid fields are seen throughout the county. The sugar beet crop which was planted early is full of promise, not only is the stand of beets very satisfactory but the beets in general are further advanced than in the average year. The sugar beet factories report an increased acreage."

DOM. STEEL TO SHIP ORE TO ENGLAND

(Continued from page 1)

panies will, for a period of 20 years, be exempt from the payment of export royalties on all ore shipped in excess of 1,500,000 tons. The royalty on the first million tons will be 10 cents a ton and the next half million, three cents.

The companies, furthermore, will pay $4,000 toward the upkeep of the roads on Bell Island and will be liable for an amount not in excess of $10,000 in the form of municipal taxes that may hereafter be imposed.

For the 20-year period, the companies will be permitted to import free of customs duties, coal, explosives, and such equipment, both including hand tools, as shall be used in mining operations, transportation and shipping of ore and in the generation of power.

Within the past two weeks C. B. McNaught and J. H. Gundy and party of company officials have visited Bell Island to examine the properties and make a first hand survey of the proposed new development.

Up to date output of Wabana iron ore has averaged around 1,500,000 tons annually. It had been reported that proposed extensions would bring about an increase in production of double that amount. Enquiry from official sources did not confirm this statement, but it was said that the output would be "considerably" increased.

Want More Power

Toward that end despatches from St. John's say that an agreement has been virtually completed by the Newfoundland Light and Power Company and Dominion Iron and Steel Company for the expenditure of $1,000,000 on the construction of a supplementary power supply for Bell Island mines. The latter company will erect a plant at Perry's Brook, Witless Bay, to develop 5,000 horsepower which will be transmitted via landlines to Broad Cove, Conception Bay, and thence under water to Bell Island.

Just before the receivership was lifted, National Trust Company, as receiver and manager of Dominion Iron and Steel, received permission of the court to purchase and install additional equipment at No. 6 Mine at Wabana. On top of that various improvements have been made, and are in process, to dock and handling facilities on the Island. There was some slight damage by fire to No. 4 mine toward the end of last month, but this has been repaired.

The iron ore mined at Wabana has up to date been diverted to two principal markets, namely, to the company's plants at Sydney and to Krupps, in Germany. Since the conclusion of the war heavy shipments have been made regularly to Rotterdam on Krupp's account.

Shipments from Wabana since the beginning of the current season of navigation up to June 9, for example, totalled 332,567 tons. This volume was distributed as follows: to Sydney, 173,176 tons; to Rotterdam, 149,151 tons; and to the United States, 10,240 tons.

With increasing shipments of Wabana ore to England, the outlook for this branch of activities of Dominion Steel and Coal Corporation, takes on a brighter appearance. The value of the deposits has been appreciated for many years, but development to date has been comparatively limited. Successful use of the ores by the Ford Company in England, however, may result in a much wider demand from that market and elsewhere, which in turn will result in the building up of a more important revenue producer for the company.

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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
County of York	July	Dominion Securities Corp.	5%	20-ins.	$721,000	100.075	4.99
Port Credit	July	R. A. Daly & Co.	5%	10-yr.	10,863	96.14	...
			5%	30-yr.	7,009		
Belleville, Ont.	July	R. A. Daly & Co., and Hanson Bros.	5%	10-ins.	20,811	....	...
			...	20-ins.	108,836	96.63	5.04
			...	30-ins.	262,040	....	...
Walkerville and East Windsor Water Comm.	July	Wood, Gundy & Co.	5½%	30-ins.	750,000	100.40	5.46
Lethbridge	July	A. E. Ames & Co.	5½%	20-ins.	35,134	102.11	5.33
			...	30-ins.	2,392		
Tnp. of Stamford, Ont.	July	A. E. Ames & Co.	5%	20-ins.	65,770	98.11	5.21
			...	30-ins.	13,390		
Tnp. of Toronto	July	C. H. Burgess & Co.	5½%	20-ins.	12,000	102.36	5.22
Government—							
Newfoundland	July	Dillon Read, Lee Higginson, Dom. Securities, Wood, Gundy & Co., and Bk. of Montreal	5%	1955	$2,500,000	99.318	5.05

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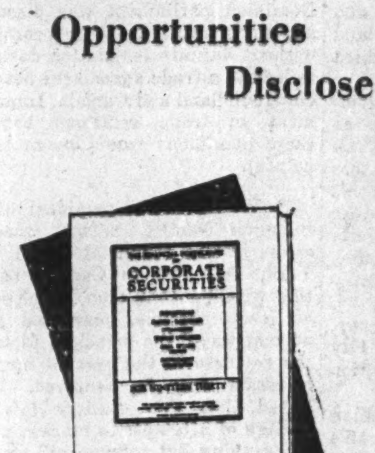

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TORONTO, JULY 24, 1930

WEST INDIAN POSSIBILITIES

WHETHER it be Liberal or Conservative, one of the matters which early will confront the next government will be a revision of the trade agreement with the West Indies. At the Intercolonial conference which closed at Trinidad on June 28 resolutions were passed expressing the opinion that a new agreement might be made more effective than the present one in order to prevent the increasing diversion of trade from Canada, that a conference be held in Canada as soon as possible and that the West Indies establish trade commissionerships in this country. Incidentally, it was announced that Bermuda, St. Vincent, Trinidad and Tobago have decided to hold exhibits at the Canadian National Exhibition.

The Barbados Advocate remarks that "no disagreement is likely to arise over these decisions, for it is now fully recognized in these colonies that our hopes of salvation lie in closer economic relations with the Dominion of Canada."

Neither is there any doubt that closer economic relations between those colonies and Canada will be to the advantage of Canada. Those colonies produce much that we cannot produce but which we consume in growing amounts. Likewise, those colonies produce virtually nothing that we grow or manufacture and have for export. An economic union will bring to each the last dollar of available trade is not only desirable but feasible.

The Canadian government has gone some distance toward promoting this trade by establishing a regular steamship service. The forthcoming conference at Ottawa should be helpful in guarding and improving the investment already made.

MANITOBA'S DIAMOND JUBILEE

MANITOBA is 60 years old. On July 15 she celebrated, with appropriate ceremonies and a public holiday, the sixtieth anniversary of the creation of the province in 1870, three years after confederation, out of territories surrendered to the Crown by Hudson's Bay Company.

It is with justifiable pride that Manitoba looks back upon the achievements of the past, and with no less justifiable confidence that looks forward to the future. Settlement of the west was represented 60 years ago only by the tiny colony which had been planted by Lord Selkirk on the banks of the Red River by Scottish settlers brought out through Hudson Bay.

The west was dedicated practically altogether to the fur trade. Its communication with the outside world was by way of the Red River and St. Paul. It was a great help when a railway stretched north from St. Paul to Emerson, on the southern boundary of the province, but settlement of the province and of the west as a whole did not begin in earnest until it was reached by the Canadian Pacific Railway in 1885.

It was Manitoba's wheat which first gave Western Canada's grain a reputation on the markets of the world, so that, although her wheat production now is but a fraction of that of the whole west, "Manitobas" is still the trade name for western hard spring wheat. But perhaps her greatest agricultural achievement is in her farm homes. A visitor to Manitoba whose only knowledge of the west has formerly been gained from the windows of a railway train is astonished and delighted when he drives through the province, which, before the advent of the gravel roads which now seem to run almost everywhere was a matter of some difficulty when there was any rain, on account of the tenacious nature of the soil.

Everywhere he sees solid and substantial farmsteads, each surrounded by its own grove of trees, most of them plantations. Everywhere he finds pleasant little villages and towns. There is a great deal more natural beauty than he had thought of in connection with the prairies, and there is an enhancement of natural advantages which testifies alike to the productivity of the country and to the quality of its people. Winnipeg, of course, is part of Manitoba, but then Winnipeg belongs to the whole west. You do not know Manitoba from Winnipeg alone, or even from Brandon and Portage la Prairie. When names like Carman, Virden, Neepawa, Morden, Gladstone and a dozen others bring up visions of a smiling country side and pleasant homes, you have a conception of the charms of rural Manitoba.

From fur trading to wheat growing was one stage of development. From wheat growing to a highly diversified agriculture was another. Manitoba's vision is now broadened to take in a picture of the wealth of her eastern and southern areas, which constitute the greater part of the province. That is why the taking over of her natural resources, made a part of her birthday ceremonies, has aroused enthusiasm.

The Winnipeg River has long been harnessed to her use, and further great developments now under way will soon add great new power resources for both domestic and commercial use. Her forests support both lumber mills and a paper industry. Her fisheries are substantial. Tremendous mining possibilities have been disclosed. The new Hudson Bay railway is opening up new stretches of territory in the far north, and her new ocean port of Churchill, on Hudson Bay will strengthen the economic foundation of the province. Industrially, she is making surprising progress.

After last week's pause Manitoba will have increased pride in her past and increased hope for her future. She will undertake the administration of her natural resources, now transferred from the Dominion Government after a long period of controversy and negotiation with still greater confidence. She has the congratulations of the rest of Canada.

TIMIDITY UNPROFITABLE NOW

BROKERS report a disposition on the part of some clients to eschew common stock purchases and to place all their funds in bonds.

Some folks bought stocks who should have bought bonds and in so far as the market disasters of the last eight or nine months have put these persons on the right track at last, these investors will be the gainers.

But persons who reasonably could buy common stocks in times past who now are buying bonds exclusively are making a mistake. The country is not heading for disaster. On the contrary, there is the most conclusive evidence that this country will prosper greatly in the future.

What makes a country prosperous? The prosperity of its leading industries. Obviously, discriminating investment in the junior stocks of the country's leading industries will bring real profit and satisfaction to the investor. Moreover, many of the soundest common stocks now can be bought at prices which give a yield higher than can be obtained on good bonds.

LEARN FROM RAILWAYS

HIGHWAY traffic congestion is not a local problem. It is a provincial and a national problem in so far as commerce is affected and in so far as the lack of congestion attracts the motor tourist.

Consideration of the methods railways adopt to prevent congestion would be helpful to governments and to engineers concerned with the problem of keeping motor traffic mobile.

No transcontinental railway consists simply of a single track. There are great yards in big centres and every way station has its sidetrack. As the single-track transcontinental railway approaches a busy terminal, the sidetracks, the additional and supplementary highways, begin to appear.

In building motor highways, this planning has been, for the most part, lacking. A provincial highway in almost every instance is no wider half a mile from a city boundary than it is 150 miles therefrom. The widening process should begin from ten to twenty or thirty miles from a city boundary. Other highways should diverge from the main highway as soon as the reflected glow of the city begins to be discernible in the sky. Until the approaching highway spreads out like a fan as to the city nears, there will be serious and dangerous congestion. The standard width of highways should be standard only at a considerable distance from a city where traffic from sideroad and private driveway has not begun seriously to thicken the stream.

STURDY FAITH IN OUR WEST

ATTENTION of readers is directed to the full report appearing elsewhere of the annual meeting or "general court" of the "Governor and Company of Adventurers of England Trading into Hudson's Bay" which was held in London on June 27.

The Hudson's Bay Co. is a company controlled in England and as such is watched with interest by all who would wish English investors to prosper from their holdings in this country. The company, like other trading enterprises, feels the effects of the ebb and flow of commerce, but as we can expect this country to prosper through the years so, also, we may hope that this venerable institution, the Hudson's Bay Co. will give increasing satisfaction to its shareholders.

There is profit for the Canadian in the reading of the chairman's remarks to the shareholders. Mr. Sale is an Englishman who spends a great deal of time in Canada and probably none of his fellow-countrymen has a more intimate and constant acquaintance with conditions here. It is of value to have the views of a man whose knowledge is so comprehensive and who, at the same time, is able, in a sense, to take a detached view of our economic affairs.

Canadians will notice with gratification that the administrative authority of the Canadian committee of the Hudson's Bay Co. has been gradually expanded and extended. It is, of course, primarily the concern of the owners of a company as to how, or from what headquarters, it is managed. Yet friendly interest in this enterprise has caused more than one Canadian to question the advisability of control somewhat remote for quick decision in matters which probably must be decided quickly in these days of change in merchandising. It is apparent, however that the London committee of the Hudson's Bay Co. has realized this for a longer time than has the outside observer and that the extension of authority in Canada has been no more gradual than ordinary business caution has dictated to the owners of the company in England.

Canada for a great many reasons wishes every success to the Hudson's Bay Co. The company always has displayed the utmost faith in the West and there are times when expression of this sturdy belief has been helpful in counteracting gloomy forebodings of some of us who are less farseeing and who are therefore apt to be downcast when for a season all does not go well with us.

TORONTO'S WANDERING BUSES

THE newly constituted Toronto Transportation Commission intimates that it will not acquire any additional bus lines operating to and from the city and that existing lines which do not pay will be eliminated.

Public ownership of a utility can justify itself only in so far as it is operated on business principles. Probably no resident of Toronto who approved the venture of the city into the business of supplying transportation a decade ago foresaw the day when the commission, created to take over street cars within the city limits, would soon be operating buses to points a hundred miles or so from the city hall.

Most voters, taxpayers and street-car riders probably are of the opinion that the commission has sufficient on its hands efficiently to operate the street-railway system and its subsidiary bus lines within the city without reaching out to other places to supply a transportation service which could as well be supplied by private companies or the steam railways. At least, the transportation commission might have concentrated its attention on the urban problem until such time as the problems directly connected therewith had been solved to the satisfaction of the street-car rider and the informed taxpayer who has been scanning the financial reports with anxiety.

POOREST EXCUSE FOR GOLF

BUSINESS in some degree is what you make it.

If there were only a certain amount of business available and all of us sought it with the same amount of energy and ability as all the rest of us, we all would be reporting lower sales for this year than last. Only a certain amount of business can be created. It is dangerous to create too much—to overload the consumer.

This is a preamble to an opinion that those who are complaining most loudly of poor business are those who are trying the least to get what business there is. Those who are energetically and ably attending to their business just now are finding their 1930 figures not far behind their 1929 figures.

A man benefits when he steals an hour or so from a busy day for a health-giving recreation. But slow business is the poorest excuse for golf.

MUST SERVE CUSTOMERS

OWNERS of anthracite mines and the unions are in the throes of negotiating a new working agreement. The union, for once, is not insistent on higher wages but makes the non-economic proposal that all the mines be operated part time, rather than that the higher-cost pits be closed in times of limited demand. Also, the union still insists on the "check-off," a system of collection of union dues which automatically makes every miner a member of the union.

Time was when the mere talk of an anthracite strike made householders in several states and in Central Canada shiver. But because the anthracite industry let so many people suffer in years past, these people have been finding fairly satisfactory substitutes for hard coal. If the anthracite industry wishes to recover its place in the fuel industry it will need to behave. No industry, if it desires to live, can afford to give its customers the impression that it does not care how they get along.

THE DAILY NEWS of St. John's, Nfld., expresses regret that the Dominion parliament was dissolved and the island legislature prorogued without definite legislation designed to lead to a trade agreement between Newfoundland and Canada. Improvement in trade relations between these dominions would be mutually helpful.

* * *

E. W. BEATTY, president of the Canadian Pacific Railway, recently wrote to The Financial World, New York, that "we in Canada believe that with a normal crop, which seems at least possible, marketed in a normal way," the principal factor in the softness of the present business situation will be removed. It is hoped that this country has had enough of attempts to market a crop in anything but a "normal" way.

* * *

A POLITICAL correspondent of the Toronto Mail who happened to be in Sault Ste. Marie on the day that the rail mill of the Algoma Steel Corp. closed down made a political story out of the occurrence. The closing down of the rail mill is, is unfortunately, an annual event regardless of the politics of the prevailing government and until Canadian railways learn to lay steel rails in the winter months, it is more than likely that the rail mills will be idle in the late summer and fall months.

POST-scripts

THE now famous "Stein Song" of the University of Maine gets into the headlines with great regularity. While reports from Toronto state that children are being swayed toward quaffing beer by repeatedly singing this chanson, in Montreal it has entered the political arena. Following a spirited rendering of this number at a Liberal gathering, a Montreal morning paper makes the dark implication "American Song at Liberal Meeting." But Rudy Vallée, who popularized the song of his old University, does not care. It has brought him wealth while it is also reported that his Alma Mater has awarded him his M for the publicity he has brought to the University.

WE ARE inclined to take the word of this correspondent, especially as we never expect to see a real good hand at bridge:

"In your issue of July 17th there is a statement regarding the odds against a player having thirteen cards of the same suit in his hand. I have been wondering how the results you state were arrived at. The possible hands in bridge are the combinations of 52 things taken 13 at a time which works out to 635,013,559,600. Of these possible hands one contains all spades, another all clubs, another all hearts and another all diamonds. The odds, therefore, against a player having a hand all of any one suit are 635,013,559,596 to 4, or 158,753,389,899 to 1. If this is correct your subsequent reasoning regarding probabilities is fallacious.
—Mathematician."

Other People's Views

The Gloom Propaganda

Toronto Globe—Undoubtedly most of the thinking people of the country will agree with the protest of The Financial Post against "the spreading of gloom propaganda for political purposes." It is a practice at election time which cannot be condemned too severely, and especially during a campaign when conditions are not all that might be desired. It tends to cultivate a false perspective of the actual situation, which cannot but be detrimental and delay the inevitable adjustment.

Why politicians think they must decry their country in order to get into office is past understanding. If they have a constructive policy worthy of consideration the voters are quick to respond; if they have not a constructive policy they are not worthy of office. And evidently The Financial Post is not willing to admit that a wild orgy of spending provides such a policy. Commenting on its references to Mr. Bennett's promises, the Halifax Chronicle says: "The Financial Post views Mr. Bennett's promise-making with alarm. If he ever carries them out, his bid for office, it says, will cost Canada more than the whole national debt in 1914. It goes on to say that the only way he can fulfill his pledges is by increasing taxes and running the country into debt."

This, of course, is a corollary of the gloom propaganda. Both are going to extremes for the sake of catching votes, and both are iniquitous campaign methods.

Perhaps some day Canadian politics can be called statesmanship, but there will have to be a change. Desire for serving the country will have to displace greed for office. In the meantime it is well that a journal like The Financial Post urges the necessity of keeping a level head in the face of exaggerated and misleading statements.

Stop Me If You've Heard This One

Applicant (for position of office boy) —I may say I'm pretty smart. I won several prizes in cross-word and word-picture competitions lately.

Employer—Yes, but I want some one who can be smart during office hours.

Applicant—This was during office hours.

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Tariff Will be Issue In Congress Election

Hawley-Smoot Law So Far Merely Has Angered Farmer—Administration Would Abandon Wheat Export Market

By M. M. WILNER

WASHINGTON.—There can be no question that those elements in Congress which opposed the Tariff Act while it was pending will make it an issue in this year's Congress elections, with the expectation of carrying it forward into the presidential campaign of 1932. This is particularly true in the Western wheat-growing states. The plan of revising the tariff was devised principally in their interests. Their reactions, therefore, become a matter of major importance in attempting to judge whether this law is likely to have long life and what is to take its place if it should become a central point in an early reversal of party power in the United States.

It is too early to express a conclusive opinion but it is obvious that the results of the tariff thus far have been very disappointing to the Hoover administration, as judged from the viewpoint of politics. Another harvest finds the price of wheat in the fields lower than ever before. As a natural consequence, the Hoover efforts at farm relief have become a subject for some derision from hostile politicians and have encountered from farmers a wave of angry complaints, which are more serious than derision. Demands for the equalization fee or the export debenture have been revived. If next fall's elections are hostile to the administration, those who win Congress seats in the West and South inevitably will be committed to one or the other of these forms of subsidy.

Hoover is Firm

The administration, however, is plainly not disposed to shift its position demagogically with the changing currents of public opinion, but is making a fight for its ideas. A very significant move is the speaking trip by Chairman Legge of the federal farm board and Secretary Hyde of the department of agriculture through the the wheat districts of Kansas and the Dakotas. Their purpose has been to persuade the farmers that wheat acreage must be reduced to a point which will bring home production nearer to home demands. In other words, farmers must depend chiefly on the home market and abandon the export field.

This really has been the key point in the entire programme of farm relief and tariff revision from the beginning. It has been explained to the Western farmers by Mr. Legge and Mr. Hyde with a directness and clarity that has not appeared in any previous discussion. Friends as well as foes of the administration appear hitherto to have had little understanding of the larger economic aspects of the legislation that has been before the country. The crop-reduction appeals actually have surprised the Western farmers, and some resentful objections have been raised. All the previous agitation of farm problems has been of a nature to persuade the farmers that, if they insisted, they might continue to raise as much wheat as they liked and still receive a profitable price for it through the generous aid of the government. The present farm-relief Act has been treated as if its principal purpose was merely to permit the government to buy and withdraw surpluses.

Sentiment May Change

So far as Canadians are concerned, the kind of change in the tariff policy of the United States which would help them would be a drift toward freer trade. They certainly could have nothing to gain from any policy of agricultural subsidy in the United States. The elements for a possible movement in the direction of free trade may exist if the farmers firmly refuse to reduce wheat acreage, for, so long as they raise for export, protection can be of little value to them. Eastern manufacturers show considerable hostility to the present high protection on account of the effects on their export markets. If any free trade reaction should develop, therefore, it naturally would take the form of a combination of manufacturing and agricultural interests against highly-paid wage-earners, who, as a rule, are much more benefitted by protection economically than attached to it politically.

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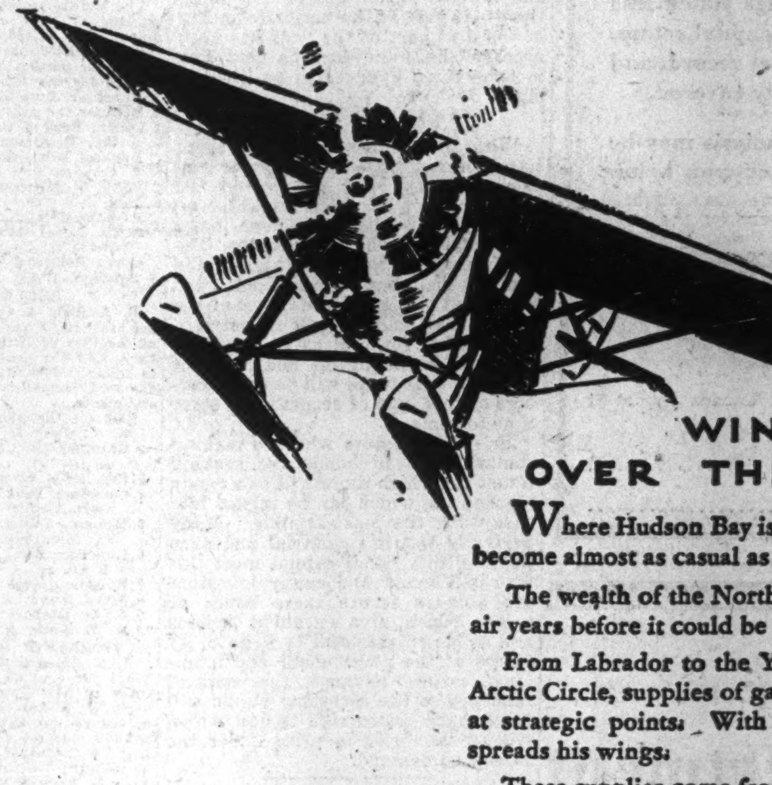

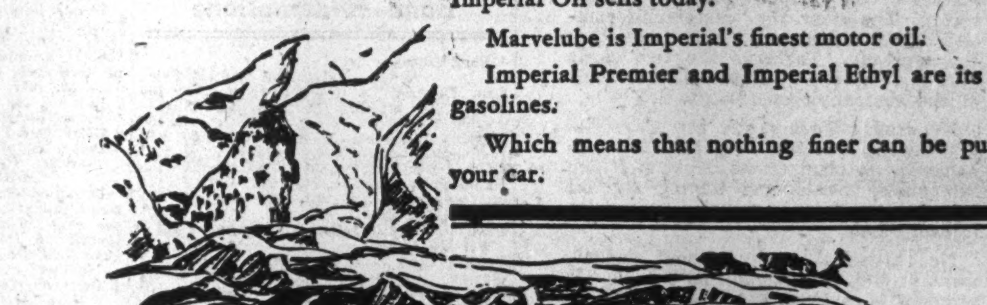

FIFTY YEARS OF CONSTANT ENTERPRISE

WINGS OVER THE NORTH

Where Hudson Bay is "down South," flying has become almost as casual as taking a taxi.

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Ever since Imperial Oil began, fifty years ago, its work has been to meet new needs of transportation and industry. Because it has met them with enterprise and energy Imperial has become a great company—serving every corner of Canada and Newfoundland—reaching from the Arctic to Peru.

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Business Conditions in Canada

CAN. SILK PLANTS MAKE NEW RECORD IN '29 PRODUCTION

Tremendous Growth Seen During Past Twelve Years

Canadian silk production took another upward turn in 1929, production in that year soaring to a new high total of $14,476,000, according to an analysis prepared by the Dominion bureau of statistics. This compares with production of only $10,897,000 in 1929 and $9,570,900 in 1928.

There was an extraordinary increase in the number of silk plants operating in Canada during 1929, the number rising from 16 to 23. Capital invested increased only $2,100,000 however to $28,278,000, so it is evident that the new establishments had only a very small amount of capital to start with. In the previous year there had been an increase of only two in the number of factories started in this industry, but the amount of capital invested increased by nearly $4,000,000.

Year Looks Profitable

That the year was apparently a profitable one for the silk plants, is indicated by the fact that while the cost of materials increased by only $1,500,000, the gross value of products increased by nearly $3,500,000, leaving products with a net value of $8,384,956 as against $6,258,556 in 1928.

Quebec is the centre of the industry according to this analysis, over 57.5 per cent of the total output having come from this province in 1929. Ontario accounted for 42.5 per cent.

Imports Very Heavy

Although no figures are available showing the distribution of output in Canada as between true and artificial silk products, figures covering importations and exports of silk are so divided, and show that in 1929 the total value of true silk imports amounted to $29,403,000 and imports of artificial silk amounted to $12,865,000. This is a decline of $800,963 in the value of true silk imports and an increase of $1,847,000 in the value of artificial silk imports.

Most imports of real silk come from the United States, the 1929 figure being $11,826,000, while Japan is the second largest source of real silk importations with $8,211,000. Most imports of artificial silk and its manufactures come from United Kingdom, from whence $5,461,000 worth were imported in 1929, while the United States came next with $2,872,000. Exports of both real and artificial silks are comparatively small, the total export trade in both categories amounting to only $380,000.

The following table shows the growth of the silk industry in the past 12 years during which time the number of establishments has increased 155 per cent; the number of employees 430 per cent; capital investment by 1,172 per cent; salaries and wages by 627.7 per cent; materials by 628 per cent and the gross value of products by 510 per cent.

Statistics of Silk Industry 1917-29

Year	Establishments	Capital	Value of Products
1917	9	$2,223,164	$ 2,372,001
1918	7	2,890,431	2,451,220
1919	8	3,661,373	3,317,181
1920	5	4,901,679	5,376,751
1921	5	4,559,909	3,536,513
1922	7	4,618,448	4,675,205
1923	7	4,594,313	5,044,968
1924	10	5,744,502	4,381,234
1925	11	9,224,224	5,483,363
1926	12	10,019,519	8,507,153
1927	14	22,327,818	9,570,917
1928	16	26,159,703	10,897,273
1929	23	28,278,657	14,476,080

B.C. Growers Group Learns Many Lessons

From Our Own Correspondent

VICTORIA, B.C.—Interesting figures as to the business handled by the Associated Growers of B. C., Ltd., annually and during the seven completed years of its operation, are given by E. J. Chambers, president and general manager. These show that during the period of the association's operations it has shipped 26,436 carloads of fruit and vegetables, bringing in total returns of $25,697,425.53, there being but little fluctuation as indicated by the 1923 return of $3,279,609 and $3,693,385 for last year.

From the detailed returns Mr. Chambers points out that it would seem the big year crops do not always yield the best returns to the growers. The loss through bad debts has been less than one-tenth of one per cent, less than $1 per car and less than $1 per $1,000 sales, while the operation costs average less than 3½ per cent. Among the lessons learned by the association's experience are that 85 per cent membership of growers does not give control; that co-operation must extend beyond the membership; that there are acute grower problems that co-operation cannot solve; and that co-operation to succeed must give competitive returns and service to members.

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The Company occupies a leading position in the sheet metal industry of Canada, operating plants in Toronto, Winnipeg, Regina, Saskatoon, Edmonton, Calgary, Vancouver and Victoria for the manufacture of a widely diversified line of steel and sheet metal products of general utility. A large plant is now being constructed in Montreal, to be completed about November 1, 1930.

Consolidated net earnings for the year 1929, available for interest and depreciation, were equivalent to 6.8 times present bond interest requirements. Increasing demand for sheet metal products in modern construction activities, combined with the strategic location of the Company's plants, indicates continued growth of the business.

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M-33

Election Hangs on Employment Issue

	Canada	United States
Commodity Prices:	Low wheat prices may boost trade with Orient.	Some indices show upturn—others still dropping.
Iron and Steel:	Canadian mills take seasonal holiday.	Prospects for full auto output, more encouraging.
Foreign Trade:	Wheat and flour export picks up slightly.	Tariff seen as definite bar to many trade avenues.
Employment:	Forms pivotal point in forthcoming election.	June index drops below 1924 depression level.
Car Loadings:	Show seasonal upturn but still considerably off.	Early July returns below both 1929 and 1928 levels.
Stock Market:	Dull summer trading with tendency to firmness.	Stronger feeling in most groups as activity increases.
Credit:	Gold now being shipped from U. S. to Canada.	Continued ease in money market has marked effect on bonds.
Trend:	No further declines noted though few evidences of permanent upturn.	Authorities disagree as to whether bottom yet reached or not.

Building Permits Show Drop of 33 Per Cent In First Six Months

The Financial Post Estimates Total For Entire Year 1930 Will Approximate 1927 Figure of $185,000,000

A Weekly Review of Business Conducted by The Financial Post.

Building permits and construction contracts are next important indices for which figures covering the first half of 1930 are now available. Two weeks ago The Financial Post analyzed carloading for the first six months of 1929, that being the first important index on which data for this period was available. Figures released from Ottawa this week show that building permits dropped 33.2 per cent below the corresponding figures for the first half of 1929, while construction contracts awarded, as announced by the MacLean Building Reports, Ltd., showed a decline of only 13.1 per cent.

The discrepancy between these two figures is easily understood when the nature of the latter group, which includes many projects other than strictly building types, is considered. The MacLean figures, showing contracts awarded for strictly building types only, shows a decline of 25.6 per cent for the first six months, which is more nearly comparable to the building report returns. It is the excellent showing made by business and engineering contracts awarded during the first of 1930 that the building reports refer to operations in only 61 Canadian cities, whereas the other figure refers to contracts in all parts of Canada.

Just Above 1927

Analyzing the figures for building permits issued during the first six months of the year it is found that the 1930 figures are just slightly higher than the returns for the same period in 1927, and lower than the figures for either 1928 or 1929. The figures for the month of June alone, are lower than in any year since 1925. There is little indication therefore that building permits are on the upward trend, the decline of $9,881,000 in the June figure as compared with a year ago (a drop of 35.5 per cent), being a little more than the average drop for the six month period. The following table shows monthly figures for 1930 and 1929 and the percentage of decrease each month as compared to the corresponding month a year ago.

Building Permits Issued

	1930	1929	% Charge
January ..	7,189,741	8,416,880	—14.6%
February ..	8,827,870	10,465,330	—15.6%
March	13,352,640	10,715,378	—44.5%
April	16,276,443	29,656,709	—45.1%
May	19,621,302	24,185,738	—18.9%
June	17,935,478	27,816,592	—35.5%
Total	$83,294,074	$124,609,767	—33.2%

Another interesting comparison is found in the analysis of building permits according to provinces. For the first six months of the year all provinces with the exception of Prince Edward Island and New Brunswick, registered declines. New Brunswick's high record which is 159 per cent above the 1929 figure and the largest volume reported for that province in 11 years, is due largely to increased activity at Saint John.

Quebec Drops in Cities

Among the declines Quebec showed the largest slump, namely, 52 per cent. It must be noted, however, that as far as Quebec is concerned, this province showed a substantial increase for the six months period according to MacLean Building Reports. This increase took place chiefly in business and engineering groupings, the latter very often representing work outside the cities. The following table shows comparative figures for each province over the past four years:

Building Permits By Provinces

Province	1930 $	1929 $	1928 $	1927 $
		First Six Months		
Prince Edward Island	47,500	20,000	Nil	Nil
Nova Scotia	2,101,186	3,210,636	1,297,200	1,009,780
New Brunswick	2,301,814	887,064	762,468	1,046,970
Quebec	15,822,542	32,830,715	22,838,301	18,995,355
Ontario	38,515,554	46,111,907	46,203,940	35,441,040
Manitoba	4,452,898	7,112,772	6,890,235	5,037,703
Saskatchewan	5,397,497	9,459,676	5,093,105	4,202,147
Alberta	5,578,742	8,620,364	6,338,136	3,297,769
British Columbia	8,996,291	16,356,133	12,613,602	11,811,955
Canada, 6 months	83,214,024	124,609,267	102,036,987	80,842,719
Canada, 12 months	......	234,944,549	219,105,715	184,613,742

If the experience of the past ten years is any criterion upon which to base a prophecy, it would seem that total building permits for the year 1930 will amount to approximately $185,000,000, which would represent a decline of approximately 21.3 per cent from the 1929 record. This is arrived at from figures issued by the Dominion bureau of statistics which, over the past ten years has compiled figures showing the proportion of permits issued in the first six months of the year to the total for the year. The percentage of permits issued in the first half of the year, has during this ten-year period varied between 44 and 54 per cent of the total for the entire year, and if allowance is made for the fact that the higher percentages were achieved in years such as 1929 when the peak of business activity was centred in the first half of the year, the estimate of $185,000,000 for 1930 would seem a very fair figure.

Construction Contracts Analyzed

Turning to construction contracts awarded, it is found that engineering contracts predominated for the half-yearly period. These form nearly 38 per cent of the total figure and are substantially higher than a year ago. Both industrial and residential permits show substantial declines, but business building were only slightly lower than the 199 figure. The following are comparative figures for the various classes of construction as reported by MacLean Building Reports for the first six months of 1930 and 1929.

Construction Contracts Awarded

	6 mos. 1930 Value	6 mos. 1929 Value
Apartments	$8,244,800	$16,330,000
Residences	40,341,300	53,183,300
Total Residential ...	48,586,100	69,513,300
Churches	3,914,900	5,363,000
Public Garages	4,492,400	6,293,400
Hospitals	5,397,500	3,701,400
Hotels and Clubs ...	9,775,800	13,722,100
Office Buildings	13,595,700	15,713,300
Public Buildings ...	10,127,400	6,681,500
Schools	20,301,800	12,433,900
Stores	6,030,300	13,331,100
Theatres	1,529,100	518,200
Warehouses	7,558,000	16,497,400
Total Business	82,722,900	94,255,300
Total Industrial	18,451,500	37,719,600
Bridges	4,049,500	5,318,300
Dams and Wharves .	3,874,700	8,392,800
Sewers and Water-mains	10,084,100	9,303,800
Roads and Streets...	20,460,300	19,873,300
General Engineering.	52,396,900	33,745,300
Total Engineering ..	90,865,500	76,633,500
Grand Total	240,626,000	278,121,700

A further significant factor in the building situation is that wholesale prices of building materials in the first six months of the year have dropped lower than the 1929 figure but are still somewhat higher than in either 1927 or 1928. Prices dropped almost steadily from a high point of 144.5 in 1920 to a low of 96.6 in 1927. In 1928 there was an increase of 97, in 1929 a further jump to 99.6, and for the first six months of 1930 the index stands at 98.6.

LOW WHEAT PRICES BOOST ORIENT TRADE

Wood, Gundy Official Optimistic About Prospects

From Our Own Correspondent

VANCOUVER. — If the price of wheat goes much lower, the volume of shipments to the Orient will be greatly increased, in the opinion of A. T. Williamson, of the Winnipeg branch of Wood, Gundy & Company, and a director of B. C. Packers, who addressed a banquet given directors of the latter corporation in Prince Rupert recently.

"Wheat is competing with rice in the markets of the Far East, and if wheat sells at a price anywhere nearly approaching that of rice it will find a ready sale," said Mr. Williamson. "Cheap wheat means more sales in the Orient and more business for Canada's Pacific seaports. The use of machinery in handling the crop in Canada is reducing cost of production so that even cheap Oriental labor has little or no advantage over us."

Mr. Williamson said his firm had become interested in B. C. Packers in order to keep the company in Canadian hands. He was keenly interested in the grain trade as he was a director of two milling companies. When wheat went up in price it was his experience that sales in the Orient declined, and if prices dropped the Orient at once became a good market.

George Kidd, chairman of B. C. Packers Corporation and J. P. D. Malkin, another director of B. C. Packers, were both of opinion that the next few years would witness an important gain in traffic out of Canada's ports on the Pacific.

LULU ISLAND PLAN WILL COST $2,000,000

C.N.R. Project Will Lay 32 Miles of Track

From Our Own Correspondent

VICTORIA, B.C. — Thirty-two miles of railway which will girdle the whole east-half of Lulu Island and serve Steveston and part of Burnaby, are included in the Canadian National industrial area project, for which track grading is now in progress. The complete rail network eventually will not only serve industrial plants in that area but provide means for development of a water terminal near Woodward's Landing. The branch will be linked with the main line of the transcontinental system at New Westminster, and will also be connected with the B. C. Electric at three points on Lulu Island and one of the mainland. Canadian National gangs are sinking piers for a railway bridge to carry the branch across the north arm of the Fraser River; with its approaches, this bridge will be 4,200 feet long and have a central span of 240 feet.

On Lulu Island the system will consist of a line fringing the north arm and another reconstructed line along the south side of Lulu Island. These two will be linked by two short north-and-south spurs. The rehabilitated line will be the 12-mile stretch of the old Mackenzie and Mann spur built along the south side of Lulu Island before the war and subsequently abandoned.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1930	Weekly Latest 1929	Cumulative for Year 1930	Cumulative for Year 1929
C.P.R. Gross earn. (July 14)	$ 3,255,000	$ 4,158,000	$ 88,037,000	$ 107,621,000
C.N.R. Gross earn. (July 14)	$ 4,292,310	$ 5,418,312	$ 117,216,494	$ 140,733,451
Car Loadings (July 12)	60,868	73,068	1,644,595	1,843,252
Stock Index (July 17)	770.2	1032.1	....	....
Production—		Monthly		
Pig Iron, tons (May)	80,505	81,464	385,105	428,684
Steel, tons (May)	91,692	126,372	533,672	619,337
Newsprint, tons (June)	213,634	225,055	1,283,922	1,311,822
Automobiles (May)	24,672	31,559	95,595	166,869
Boots and Shoes, pr. (May) ..	1,524,938	1,688,350	7,374,139	7,969,638
Flour, bbls. (May)	1,393,982	1,748,574	6,047,304	8,283,505
Mineral Production—				
Gold, oz. (April)	169,166	158,389	632,487	605,618
Silver, oz. (April)	2,568,017	1,326,251	7,933,672	5,581,369
Nickel, lb. (April)	10,190,755	9,473,039	36,989,935	36,360,452
Copper, lb. (April)	26,599,188	18,328,736	103,956,820	75,474,431
Lead, lb. (April)	29,360,473	27,103,985	116,687,295	96,266,602
Zinc, lb. (April)	20,180,602	17,746,976	80,968,266	68,854,107
Coal, tons (April)	907,451	1,394,330	4,852,658	6,017,058
Natural Gas, M. cu. ft. (Apr.)	2,433,026	2,529,957	12,516,885	11,950,937
Petroleum, bbls. (April)	102,335	83,542	412,142	261,132
Automobile Financing—				
Used Cars (May)	$ 4,537,871	$ 5,775,802	$ 14,226,840	$ 15,415,675
New Cars (May)	$ 4,777,245	$ 6,280,417	$ 18,397,846	$ 18,999,901
Construction—				
Building Permits (May)	$ 19,621,302	$ 24,185,728	$ 65,267,996	$ 96,792,675
Contracts (June)	$ 54,728,200	$ 72,419,800	$ 240,626,000	$ 278,121,700
Labor—				
Employment Index (June)	116.5	122.2	....	......
Trade—				
Imports (May)	$ 101,544,817	$ 125,615,364	$ 451,556,720	$ 552,461,745
Exports (May)	$ 77,260,557	$ 107,472,827	$ 357,797,157	$ 465,146,898
Imports of Key Products—				
Rubber, lbs. (May)	5,809,000	6,579,299	26,829,383	39,742,351
Cotton, lbs. (May)	7,056,000	11,219,000	40,775,423	71,664,967
Sugar (May)	$ 2,569,169	$ 2,090,585	$ 6,174,499	$ 7,152,886
Petroleum, crude, gal. (May) ..	99,210,000	51,350,000	381,543,925	303,321,805
Coal, tons (May)	1,373,573	1,567,884	6,739,905	6,714,631
Exports of Key Products—				
Newsprint, cwt. (Apr.)	3,196,043	....	14,960,616	....
Automobiles, No. (May)	3,024	9,561	19,930	51,528
Wheat, bush. (May)	18,466,384	27,073,295	40,214,642	91,645,395
Wheat, flour bbls. (Apr.)	451,395	720,050	2,115,567	4,064,142
Electric Power—Output—				
M. Kilowatt hours (May)	1,535,446	1,456,687	7,473,602	7,190,650
Population—				
Emigration (May)	4,216	5,197	......	......
Immigration (March)	14,576	14,811	21,905	28,609
Finance—				
Failures, No. (May)	166	185	1,027	1,005
Failures, Liabilities (May)	$ 2,600,755	$ 2,294,769	$ 24,002,531	$ 18,069,077
Bank Debit (May)	$3,427,000,000	$4,127,700,000	$15,627,560,088	$19,255,786,222
Bond Sales (June)	$ 72,513,683	$ 115,388,617	$ 371,152,019	$ 344,154,231
Insurance Sales (June)	$ 55,355,000	$ 55,000,000	$ 300,762,000	$ 307,562,000
Wholesale Prices (1913=100)—				
General Index (June)	88.0	92.6	......	......
Iron (May)	91.8	94.4	......	......
Cottons, raw	93.9	111.6	......	......
Grains	76.0	82.5	......	......
Live stock	130.0	138.3	......	......

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Lumber Commission to Go From B. C. to British Isles

Marketing Board Now Making Representations to This End With B. C. Government—Industry at Low Ebb

From Our Own Correspondent

VANCOUVER. — As a direct result of representations made by the Empire Marketing Board, the provincial government will probably send a lumber commission to the British Isles this winter.

Representatives of the Marketing Board have been in this province during the last few days discussing with members of the Government and leading business men the possibilities of extending the trade of Canada with the Motherland. They strongly urged that an educational campaign be commenced in England with a view to acquainting British lumber buyers and consumers with the special qualities of B. C. woods.

Need is Great

The importance of developing the market contact with the British Isles was never more fully recognized by the lumber industry than now. The United States tariff makes that country a less dependable customer than formerly, as the one dollar a thousand feet duty on softwoods will seriously interfere with sales of lumber of a class particularly popular formerly.

British Columbia sent a lumber mission to Australia early this year with satisfactory results, but Australia is now regarded as having over-bought for the time being, and to such an extent that the ships previously engaged in transporting lumber from B. C. to the Antipodes have now been diverted to the China trade.

Orient Buying Light

Japan and China, owing to unsettled economic conditions, are buying very lightly. Thus the chief normal customers of British Columbia are out of the picture temporarily, and the industry has been in the worst depression in twenty years' experience.

For that reason stimulation of sales in the British Isles is particularly desirable at the present time. The provincial government and the B. C. Lumber & Shingle Manufacturers' Association are expected to cooperate with the Empire Marketing Board in launching the proposed campaign.

According to E. M. H. Lloyd, of the Marketing Board, there should be a strong demand for railway ties and shingles in Great Britain. Experiments are now being carried out in England, he said, in creosoting ties for use of the British railways.

Business Briefs

Carloadings turned upwards for the first time in seven weeks, according to the compilation of the Dominion Bureau of Statistics for the week ending July 12, 1930. Loadings were still 12,200 cars or nearly 17 per cent below the corresponding figure for 1929. The most significant figure in the compilation is still the loadings of miscellaneous and L.C.L. freight which show heavy declines from the previous year's figures in both the eastern and western divisions. Lumber and grain loadings were both considerably lower during the week as compared with a year ago. The only increase was in coke loadings.

Wheat in Store in Canada as at July 11, declined to 121,473,000 bushels as compared with 110,515,000 bushels at this time last year. There was a drop of nearly 5,000,000 bushels during the week. Elevator reports from Montreal, Quebec, Sorel and Vancouver show that 2,689,000 bushels were shipped by vessels overseas during the week ended July 10, making a total of 5,512,000 bushels for the first two weeks of the month. Shipments to Buffalo and other U.S. ports were 3,956,000 in the two weeks' period.

Electric Battery Production in Canada during 1929 was valued at $7,704,000 as compared with an output worth $8,189,573 in 1928 and $7,722,011 in 1927, according to a report issued by the Dominion Bureau of Statistics. Storage batteries were made in 19 different establishments with a production valued at $4,467,443. Dry cell batteries made in four plants numbered 30,943,000 valued at $3,144,640. Imports during the year were valued at $698,595.

Condensed Milk Production in Canada during 1929 was valued at $14,686,802, an increase of $525,496 over the previous year's figure. The principal items were evaporated milk valued at $5,042,000; condensed milk, $3,149,000, and milk and skim milk powder, $1,651,000. Exports for the year were slightly greater at $3,650,000.

Creamery Butter Output in Saskatchewan amounted to 2,203,835 pounds as compared with 1,328,087 pounds in May and 2,296,808 pounds in June, 1929. This represents a decline of four per cent from the output of a year ago.

B.C. PULP ADDS NEW EQUIPMENT

Barking, Chipping Plant Said to Eliminate Waste

From Our Own Correspondent

VANCOUVER—The largest barking and chipping plant in the world will be installed this year by the British Columbia Pulp & Paper Company, operating pulp plants at Woodfibre and Port Alice, B. C.

Lawrence W. Killam, president of the company, says that the heaviest Thorne barker so far manufactured, capable of handling logs ten feet long and with a diameter up to 22 inches, will be installed. The entire project will cost about $100,000.

Mr. Killam says that elimination of waste is the chief objective of this undertaking. At present, it is estimated, the pulp industry on the Pacific coast loses about 20 per cent because it is unable to utilize the tops of trees. With the barker and improved chipping plant this loss will be eliminated or greatly reduced.

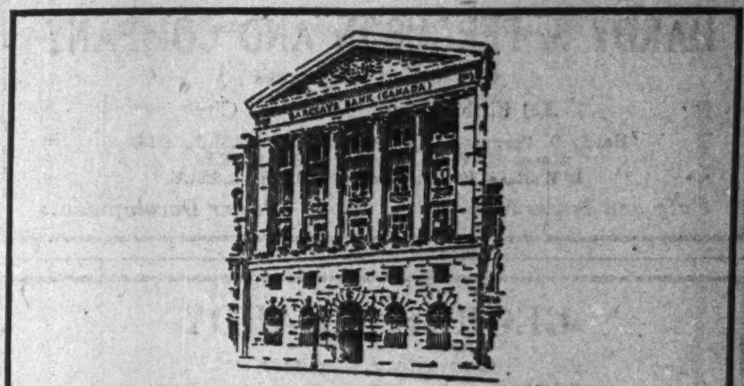
The installation is a sequel to a recent visit east of Mr. Killam, who watched the processes at work in the Restigouche subsidiary of the Fraser Companies in Atholl, N. B. The company also had a trial shipment of pulpwood logs sent to the international plant in Hawkesbury, Ont., where Thorne barkers are operated.

Paper Mills Equipment, Ltd. of Montreal will install the chipper while Canadian Allis-Chalmers will build the barker.

CAN. WESTERN LUMBER

Statement of Lumber Manufactured, Sales and Price Realized

May—	1929 Feet	1930 Feet	Decrease Feet
Lumber mfd.	15,818,152	9,732,000	6,086,152
Lumber sold.	20,395,908	6,938,500	13,457,408
Price realized	$462,606	$151,417	$311,189
Aggre. mfd. from 1st. Jan. to end of May	50,114,724	45,848,238	4,266,486
Aggre. sold from 1st. Jan. to end of May	52,915,632	43,593,337	9,322,295
Aggre. price realized from 1st. Jan. to			



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MONTREAL-QUEBEC

Canadian Pulp and Paper Industry

SETTLE CLAIMS ON AREA FLOODED BY MACLARENS

Big Paper and Power Enterprise Nearing Completion

From Our Own Correspondent

MONTREAL.—Third and final series of awards with the expropriation of land along the Lievre River to form a storage basin for hydro work construction by the James MacLaren Company, Limited of Buckingham, P.Q., have been handed down by the Quebec Public Service Commission. The total of the three awards runs to $589,905, to be paid by the company.

The land taken is situated on both sides of the Lievre River between Mount Laurier and Buckingham and was sunk beneath the waters under a plan approved by the Quebec Running Stream Commission. The hydro plant and newsprint mill, which the company is building, is located not far above Buckingham, where a dam and other works have been started.

Large Capital Outlay

Expansion programme of the MacLaren Company involves an outlay running into many millions of dollars, covering a hydro-electric development and construction of a newsprint mill. Up to date, MacLaren's have been interested in lumbering operations and the manufacture of pulp. To provide for greater utilization of resources, the management not long ago undertook the present plan of development.

Hydro-electric power programme of the company involves the construction of an additional 15,000 h.p. unit to the plant already in operation, and the construction of another plant of 90,000 h.p. capacity at High Falls on the Lievre River. Considerable progress has been made with these units and it is expected that the plant will start delivering power to the Ontario Hydro-Electric Commission, which has contracted for the total output, some time toward the end of this year, or early in 1931.

Newsprint Mill Ready

The building for the newsprint machine, which will have a daily capacity of 250 tons, was completed early in the year, and installation of machinery is either complete, or in the last stages of completion. Though no official announcement has been made, it is understood that the operation of the newsprint mill on a commercial scale may be delayed a little while.

Public financing of the extensive development of the MacLaren Company is expected to take place some time this fall, probably in September. To that end the company has had incorporated the Buckingham Power Company and the Maclaren Power and Paper Corporation. The former, it is understood, will take over the hydro-electric development, while the latter company will be a holding organization.

OKA SAND SALES ON LOWER BASIS AT PRESENT TIME

Prospects for Constructional Activity Considered Favorable

From Our Own Correspondent

MONTREAL.—Sales of Consolidated Oka Sand & Gravel Co. have reflected the decline in construction and have fallen off somewhat in comparison with those of last year. Business, however, is stated to be satisfactory, while prospects for an increase in building activity in Montreal are favorable.

The company is largely dependent on conditions in the building industry and occupies a strong position in relation to the trade. It owns or controls virtually all the available washed river sand in commercial quantities within a radius of 150 miles of Montreal. These deposits comprise 693 acres of the bed of the Lake of the Two Mountains and 127 acres at the mouth of the St. Maurice River. Some of the property is owned while the rest is held on long term leases from the Quebec Government. The company also holds a contract with the Gentlemen of the Seminary of St. Sulpice, carrying the exclusive right to draw sand from the deposits along the Lake of Two Mountains.

Earnings in 1929 were satisfactory. The report covered the first twelve months operation of the present company and showed net earnings of $202,883. After all deductions, which included the establishment of substantial reserves, there remained a sum equal to $2.30 a share on the 21,000 shares of common stock outstanding. The preferred dividend was earned by a good margin; this stock is now quoted at $82 on the Montreal Stock Exchange. At this price the 7 per cent dividend yields 8.53 per cent.

Carry Out Expansion

During 1929 the sum of $61,331 was added to the value of fixed assets representing additions to marine equipment. Since the beginning of the current year it is understood that another steel scow has been purchased, bringing the total number up to 6. Other equipment includes 9 tugs, 12 barges, 3 dredges, 3 pump scows, 2 floating derricks and 13 wooden scows.

Total fixed assets at the end of 1929 were valued at $1,755,343, of which $143,000 included mining rights and leases. A bond issue of $700,000, 6½ per cent first mortgage bonds is outstanding in addition to $701,700 of 7 per cent preferred and the common stock.

The company represents a merger of Consolidated Sand Company and the Oka Sand and Gravel Company. These two concerns, prior to their amalgamation, were in direct competition and it is stated that various economies have been effected through their merging.

Big Coal Output

Canada's coal output of 17,496,457 tons in 1929 was within 0.4 per cent of the record coal production of 1928 and exceeded the average for the past five years by 11 per cent, according to finally revised statistics of the Bureau of Statistics.

Canadian Newsprint Output Up Steadily

From Our Own Correspondent

MONTREAL.—While the United States production of newsprint paper has remained relatively the same since 1913, that of Canada has increased annually from 350,000 tons in that year to 2,728,827 tons in 1929. As United States publishers consume practically all of their own country's newsprint output, and from 80 to 90 per cent of Canada's, this situation arouses a common interest in the combined production of the two countries.

The United States percentage of the total production in the two countries has decreased steadily since 1913, while the Dominion's percentage of total output has progressively increased. In 1913, for example, the United States produced 79 per cent of the total production of newsprint in the two countries. In that year Canada accounted for 21 per cent of the total. American mills continued to be the dominant producers of newsprint on the North American continent until 1925, when the combined production was distributed equally between the two countries. From then on, however, Canada's proportion rapidly increased and reached the maximum figure of 66 per cent in 1929. This compares with 34 per cent recorded by the United States.

In the following table will be seen the annual production of Canadian and American mills, together with the combined total between 1913 and 1929. As the United States consumed virtually all its own production, and roughly 90 per cent of the Canadian output, the aggregate figures are a reliable index of consumption of newsprint by American publishers. Working on that basis, it will be seen that consumption of newsprint in the United States has nearly doubled in the last ten years, and is more than three times that what it was in 1913:

PRODUCTION OF NEWSPRINT PAPER PRODUCED BY UNITED STATES AND CANADA WITH PERCENTAGE OF TOTAL PRODUCED BY EACH ANNUALLY (1913-1929)

Year	United States (tons)	% of Total	Canada (tons)	% of Total	Total (tons)
1913	1,305,000	79%	350,000	21%	1,655,000
1914	1,313,000	76%	415,000	24%	1,728,000
1915	1,239,000	72%	489,000	28%	1,728,000
1916	1,315,000	68%	608,000	32%	1,923,000
1917	1,359,000	66%	686,000	34%	2,045,000
1918	1,260,000	63%	735,000	37%	1,995,000
1919	1,375,000	63%	803,000	37%	2,178,000
1920	1,511,968	63%	875,000	37%	2,387,138
1921	1,225,235	60%	808,066	40%	2,033,301
1922	1,447,688	57%	1,080,383	43%	2,528,021
1923	1,485,000	54%	1,266,232	46%	2,751,232
1924	1,481,425	52%	1,352,994	48%	2,834,419
1925	1,530,318	50%	1,522,217	50%	3,052,533
1926	1,686,695	47%	1,881,737	53%	3,568,432
1927	1,485,495	42%	2,086,949	58%	3,572,444
1928	1,414,952	37%	2,381,102	63%	3,796,054
1929	1,392,276	34%	2,728,827	66%	4,121,103

MERGER SHARES OF ST. LAWRENCE NOW ON MARKET

Holding Company Stock Comes in for Trading

From Our Own Correspondent

MONTREAL.—Final step in the merger of St. Lawrence Paper, Brompton and Lake St. John, is seen in the trading of the new stock of the St. Lawrence Corp. The stock sold at 8¾, as 8¾ bid, 9½ asked, at the close of the first day's trading. St. Lawrence Corp. "A" stock, in which there has been virtually no trading, is 27¾ bid.

Creation of the St. Lawrence Corp., which brings together St. Lawrence Paper Mills, Company, Lake St. John Power and Paper Company, and Brompton Pulp and Paper Company, was announced on May 15. This organization is not an operating, but a holding company, with control of the common stocks of the three companies involved.

Corporation Controls Units

Under the agreement St. Lawrence Paper Mills Company issued an additional 15,000 shares of common stock, with which, and $2,000,000 cash, it acquired the $3,600,000 outstanding amount of Lake St. John Power and Paper Company's 7 per cent preferred stock. Furthermore, under the agreement, it will have assured that the St. Lawrence Corp. will receive 80,000 shares of common of Lake St. John, 150,000 shares common of Brompton, and 200,000 shares common of St. Lawrence Paper Mills.

Holders of the remainder of common stocks of the 3 companies were offered the following exchange: (A) For each share of common stock of St. Lawrence Paper Mills held, one share common stock of St. Lawrence Corp.; (B) For each share of common stock of Brompton, one share of Class "A" cumulative convertible preferred stock of St. Lawrence Corp.; (C) For each share of common stock of Lake St. John Power and Paper, 7/10 of a share of St. Lawrence Corp.

Provide for Conversion

Capital set-up of the St. Lawrence Corp. includes, 300,000 shares Class "A" preferred stock $50 par value, and 585,000 shares of no par value common stock outstanding. The authorized share capital consists of 300,000 shares of Class "A" preferred, and 2,000,000 shares of common stock. Of the latter, 225,000 shares are reserved for the outstanding subscription warrants and option to subscribe on St. Lawrence Paper Mills, and 600,000 shares to be reserved to meet the conversion privilege of the Class "A" shares, which are convertible one share for two shares of common.

Dist.-Seagram Plans To Liquidate Loans

From Our Own Correspondent

MONTREAL.—It is understood that Distillers Corporation-Seagram has plans underway to eliminate the special loans which the company is carrying. These amounted to $1,953,111 at the end of the company's last fiscal year July 31, 1929; interest on these loans amounted to $160,051 during the fiscal period. Shareholders will likely be acquainted with the management's plans at the next annual meeting in October.

Originally it was intended to liquidate these loans, together with the sum of $807,373 which was the liability under contract taken over from Joseph Seagram & Sons, by the issuance of 350,000 shares of stock at $12 a share. Shareholders were to be offered 300,000 shares at that price on the basis of one new share for five held.

The plan was never consummated since the market for the shares of Distillers-Seagram has not favored such an undertaking. Consequently the company has had to carry the loans.

DALHOUSIE MILL OUTPUT DOUBLED IN NEAR FUTURE

Plans in Force for Installation of Two Machines

From Our Own Correspondent

MONTREAL. — New Brunswick International Paper Company has under way the installation of the last two machines in its four-machine mill at Dalhousie. These machines will be the same type as the others presently installed, and will give the mill a capacity of 550 tons of newsprint daily.

Plans as yet are a trifle indefinite as to the date when the new machines will commence operation. In view of the unsettlement in the newsprint market, operations will likely be deferred until conditions take a definite turn for the better.

Contracts are Placed

In connection with the installation of the additional machines, Canadian General Electric Company has been awarded contracts for six grinder motors, each of 2,000 h.p. capacity. In order to provide more pulp it is necessary to install the extra motors. The additional pulp is needed to supply the needs of the mill when the four machines are in operation.

Plans already have been put in force to meet the additional power requirements. Canadian General Electric also has been awarded the contract for a 20,000 h.p. turbine, which will be installed in the St. John River Power Company's plant at Grande Falls, bringing the capacity of that unit up to 80,000 h.p., With the exception of 20,000 h.p. supplied to Fraser Companies, the total output will be transmitted to the Dalhousie mill.

Mill Started in Spring

For more than a decade International Paper has owned extensive timber limits and water power in New Brunswick, and toward the end of 1928, it announced that a paper mill would be constructed at Dalhousie, through a subsidiary to be known as the New Brunswick International Paper Company.

Building a mill at Dalhousie necessitated some exceptional engineering features, so that it would have both rail and water transportation facilities, an ample supply of fresh water, and accessibility to timber limits. In order to provide a site suitable for a paper mill, it was necessary to build a sea-wall and hydraulically fill a large area to bring it up to an elevation of 7 ft. above the average tide level.

The second major problem was to obtain an adequate supply of pure fresh water. It was necessary to construct a dam across the Charlo River, eight miles from the site of the plant to create a storage reservoir. The mill was brought into operation in March this year, with two machines each of 125 tons daily capacity. Operations since then have been successful, and the plant has been turning out as much as 275 tons of newsprint daily.

St. Regis Paper Co. Buy Bates Bag Patent

From Our Own Correspondent

MONTREAL.—Announcement of the acquisition by the St. Regis Paper Co. of the Bates International Bag Company, is of interest, inasmuch as both companies have substantial interests in Canada. The former company at one time had plans prepared for the establishment of a large paper mill in Quebec Province, but actual development was deferred. In the meantime the company is carrying on extensive loggining operations, and shipping pulpwood to the United States. Bates International Bag Company operate a unit at Dryden, Ontario, the necessary kraft paper being supplied by the Dryden Paper Company.

Bates International Bag Company, which in the last three years has licensed a large number of manufacturers to produce multi-wall paper bag under Bates patent, will undoubtedly work in well with the rest of the St. Regis orgnization. With this new subsidiary and the Bates Bag Company, owned by St. Regis since February last year, the St. Regis group is provided with coverage in a large part of the world for the development of Bates patent on multi-wall bags, cement packers and bag manufacturing machinery.

Thirty licensed companies, in many of which Bates International hold a stock interest, operate in several foreign countries.

Yields Are Still High On Shares of Distillers

New Export Law Handicaps Profitable Section of Business, But Volume of Production Continues at High Rate

From Our Own Correspondent

MONTREAL.—Shares of the large liquor companies continue to provide a stock market anomaly. Distillers-Seagram Corp. and Hiram Walker-Gooderham Worts continue to languish in the region of 9 on the stock exchanges where they are listed. Canadian Industrial Alcohol is traded about three points lower. The market for the shares of the smaller distilleries reflects the effects of the keen competition in this field which was predicted a year ago.

Of these, Dominion Distillers is passing out of existence and is now in process of being wound up after a career which has proved eminently unsatisfactory to its shareholders. Federal Distilleries, another Montreal concern, showed a deficit for the past year and the stock of the company is quoted between 25 and 50 cents. National Distilleries shares are traded at 1 on the Montreal Curb Market.

Reflect Public Opinion

It is clear that the large companies have what amounts to a clear field for their activities, but even with this predominance the yield on their shares is a definite reflection that the investing public is still wary of the liquor stocks. The yield on both Hiram Walker and Distillers-Seagram is around 11 per cent at present market values. Canadian Industrial Alcohol dividend was passed early this year, following a marked decline in sales.

The fact that the Canadian field alone constitutes but a minor part of the distilling companies' market is the reason for the present market situation. The great proportion of sales are made in export markets and it is the uncertainty of this market, which has prevailed and still prevails, that renders investors chary of committing themselves heavily in what appear to be strong industrial concerns.

Export Restrictions Felt

The existing law which prohibits the clearance of liquor from Canadian ports to the United States is likely to make some inroads into profits. This form of the business was extremely profitable and its elimination is felt by the distilleries. The new law will make little difference in actual volume of exports, as shipments can be made legally through other ports and yet find their way into the United States. The dollar volume will suffer to some extent.

That plant operations and production have not been affected is reflected in the continued expansion being undertaken by both Walkers and Distillers-Seagram. Distillers Corporation is completing a programme which has added largely to the productive and storage capacity of the plant at Lasalle while Walkers has purchased control of two distilleries in Scotland and has expanded its operations to include the manufacture of carbonic acid gas.

Both these companies enjoyed satisfactory business for the first half of their current fiscal years, and dividend payments at the rate of $1 a year have been maintained. Canadian Industrial Alcohol, however, experienced a setback and its distribution of $1.52 a share was discontinued in March, 1930. No earnings have been published during the current year and there has been much surmise as to what the annual reports of the leading distilling companies will disclose on publication.

Distillers-Seagram brings its fiscal period to a close on July 31, Walkers closes its books at the end of August and Canadian Industrial Alcohol finishes its year on September 30. While profits of the two leaders were reported to be satisfactory earlier on in the year, it is understood that the export law, as enforced at present, is cutting into profits to some extent.

St. John Dry Dock Secure Big Contract

From Our Own Correspondent

MONTREAL.—Saint John Dry Docks Company is pushing ahead work, rapidly as possible, on the dredging of 150,000 cubic yards out of Yarmouth Harbor.

It will be recalled that the Saint John Dry Dock Company control was taken over by the Playfair-Ross interests a year or so ago. Since then the group has been active in the Maritime shipping field, and to that end has secured control of the Eastern Canada Coastal Steamships and Nova Scotia Shipping Company, as other smaller lines. Investment interest in the Saint John Dry Dock Company, is now confined to the first mortgage bonds.

Paramount Publix Extend Offer on Famous Players

From Our Own Correspondent

MONTREAL.—Some shareholders of Famous-Players Canadian Corp., who neglected to accept the offer to exchange five of their shares for four of Paramount Publix Corp., have been given consideration on writing the company.

While there is practically no trading market for Famous-Players shares, they are quoted in the neighborhood of 44, a discount of nearly 5 points as contrasted with the equivalent market value obtainable in the shares of Paramount Publix.

NEW METHOD SECURES ATTENTION

A novel method of securing the attention of its customers to a pamphlet descriptive of one of its services is used by the State Street Trust Co. of Boston. The folder, which describes the safety deposit facilities of the company and urges the use of these facilities for the storing of valuable papers, is charred about the edges as though it had been through a fire.

Illustrating the message contained in the folder is a picture of a house in flames with the caption "Have you safeguarded your valuable papers against fire?"

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Canadian Car

I have in the neighborhood of $1,500 to invest just now and have been undecided whether to invest in bonds or stocks. I am rather inclined to purchase stocks during the present slump, looking to dividend returns and appreciation.

Would you venture your advice regarding the best thing to do, suggesting any stocks which you believe would meet my requirements? The following is a list I have been thinking of: Canada Bread preferred B, Loblaw A, Fanny Farmer preferred, Sherwin-Williams Common, Tamblyn preferred, Canadian Canners common, Canadian Car & Foundry.

All of the stocks mentioned in your letter have merit. At the same time we think it would be advisable in your case to buy a good $500 bond as a backlog for your investment programme. You could divide for a long hold the remaining $1,000 among the following stocks: Canada Bread preferred "B," Loblaw's "A" or "B," Sherwin-Williams common. Canadian Canners common and Canadian Car & Foundry. Fanny Farmer's operations are in the United States, sales are reported to be steadily increasing, and so far as the preferred stock is concerned net earnings are many times the amount required to pay the dividend.

As for Sherwin-Williams common stock, the company has earned in every year except 1929 since the war the common dividend by a good margin.

Canadian Car & Foundry earnings are bound to fluctuate with the amount of orders available. Such a company in a year when orders are low may have difficulty at times in making its dividends and in years of prosperity it is apt to earn them by a great margin. This has been the history of the company. Only in 1922 and 1925 since the war has the company failed to have earnings available for dividends. It is estimated to have more than $27,000,000 of orders on its books for 1930. Last year it earned $4.51 on the common stock and paid $1.75. Current business is reported to be good, and though operations are not at the peak the outlook for fall business is promising.

Imperial Oil

I hold 1,000 shares of Imperial Oil outright and at a profit and can carry this stock for four years. Do you think that over this period the stock will show a good appreciation? I have been considering diversifying my investment by buying some other oil stocks such as Standard Oil of Indiana, Shell Union or Texas Corp., which would improve the income since that of Imperial Oil is low at present. Would it be wise to switch from Imperial to International Pete?

The prospects of Imperial Oil for four years may be considered excellent. The yield is low, but it is higher than it has been for some years. It has always been difficult to get this stock to yield better than from 1½ to 2½ per cent because traders in Canada generally have such a high expectation as to the future of the company.

Your suggestions for spreading your investments over the oil industry are good from the standpoint of increasing your revenue. The companies are good with good prospects. You would do even better by switching from Imperial Oil to International Petroleum.

The latter stock is not so high in the investment category and therefore has more risk, but the company's progress in recent years and the prospects for the future are such that one could reasonably hope for substantial appreciation unless there should be a break-down in the world-wide effort made to curb production. If that would happen, it would have effect on all the other oil stocks you mention. If you wish to protect yourself against such an emergency part of your investment should be in other lines.

Can. P. & P.; Eastern Dairies

I hold some common stock in Canada Dairies, Eastern Dairies and Canada Power & Paper Corp. Please give me in brief the present condition and future prospects of each.

Canada Power & Paper Corp. has a strong working capital position and sooner or later it can be expected that its strongly liquid position will work out to the benefit of the junior securities. It may be some little time before anything in this direction can be observed.

Eastern Dairies is showing a vigorous policy of expansion. It has some good individual companies under its banner and should eventually give a good account of itself.

Canada Dairies took over National Milk of Gananoque which went into receivership. The manager states that the company lost no money over the National Milk deal, that it has turned the corner since the first of the year, that preferred dividends are being paid but that common must wait until a good reserve is created.

Dominion Fibres

Kindly advise me if you consider the Dominion Fibres, Ltd. a safe firm to invest in. The company has taken over the assets of World Fibre Corp. in which I held 50 shares purchased at $10 per share. Now they want to pay $1 per share or else for me to buy their stock at 50 cents per share by July 15. Any information you can forward will be appreciated.

We do not understand exactly what the proposition of the Dominion Fibres Ltd. to shareholders of World Fibre Corp. is from your letter. If you could forward us correspondence with the company, explaining their proposition, we would be in a better position to answer you.

We have considered and have said several times that stock of World Fibre Corp. is a speculation of no particular merit at this time. The taking over of the assets by a new company would not change the situation so far as the prospects of the company are concerned.

We understand from your letter that the company is offering to pay you at the rate of 10 cents on the dollar for the price you paid for the stock. Is this offer cash or stock? We certainly would advise against purchasing the additional stock mentioned.

Canada Wire & Cable

Would you advise changing 10 preferred shares of Canada Wire & Cable for preferred shares of Woodland Dairy of Edmonton which carry a bonus of 50 common shares for every $1,000 invested?

We would not recommend the selling of your preferred shares of Canada Wire & Cable in order to purchase stock of Woodland Dairy of Edmonton, Alta. Although the latter might realize hopes of those who buy the stock it appears, nevertheless, at the present time, to be a drop in security to make the exchange.

2nd Can. Gen. Invest. Trust

Please advise me as to Second Canadian General Investment, Ltd. as an investment. On a guarantee from this company that these shares would always be redeemed by the company at $100, I purchased $500. Since that time the company reorganized and split the $100 share into $25 shares, and I receive 20 shares. I understood that these shares are away below par value, and although I am not in need of the money, do you think that over a period of a couple of years this stock will reach par value again and if the company is in a position to keep up the dividend payments as originally promised?

When the sum total of market valuations of shares held by Second Canadian General Investment makes on the average more than $25 a share on its issued shares, it can be expected that the stock will come to par value. So far as keeping up dividend payments is concerned, some of the early dividends of the company were paid from market appreciation. The sounder method is to pay dividends only from actual interest on bonds held and dividends on stock held, any profit from market appreciation and sale of stock being put into capital account. We understand that this is the policy which will be followed by Second Canadian General Investment in the future. As no statement as to actual earnings are available, this leaves in doubt just how great the payments will be on the stock.

The old stock was of $100 par value and was split in March four for one into no par stock and at the same time there was a cash payment of $1 for each of the old shares, this payment taking place at the time of transfer.

Before the last break in the stock market the per capita value of stocks and bonds held by the company amounted to $92 a share on the old stock. Since this split the stock has receded, but there should still be a value of about $20 behind each of the new shares. The market valuation is from $11 to $14. Canadian General Securities Corp. does all the transferring. There have been no sales of stock since the stock was split.

$500 to Invest

At present I have a fairly well diversified list of bonds and preferred stock. I have $500 to invest and would appreciate any recommendations you may have to make. I would like to get one or two stocks that have possibilities of appreciation, combined with a fair yield.

For the investment of $500, there are a number of good outlets. The stock markets are still in an unsettled state and there is no assurance of stability or an upturn. If you are prepared to hold on to your purchase and not worry about fluctuations in the market, you might consider buying Steel of Canada, Canadian Car preferred, Dominion Bridge common, International Petroleum, and Power Corporation. These stocks give a comparatively high yield, are well secured, and with any change in market conditions, should give a good account of themselves.

Canada Cement

One of my investments is a few shares of the preferred stock of Canada Cement Company. Is this stock well regarded?

Canada Cement is the dominant company in the industry. It is well managed and has an organization capable of giving excellent service to any district in the Dominion. While highly capitalized, we consider that the company has good prospects and that as a medium of investment, the preferred stock has merit.

International Nickel

Could you give me the standing of International Loan Co. of Winnipeg? Would you advise it as a safe investment for a small investor?

The stocks which you hold, that is, International Nickel, Imperial Oil, Noranda and International Petroleum, have good prospects for a hold for the next two or three years. If you purchase 150 shares more we would be inclined to further diversify your holdings than to place more in the stocks which you already hold. In spite of the possibilities of International Nickel your holdings in that appear to us too large. We would suggest, however, that you add 25 shares more International Petroleum and that you divide the remainder of your investment between Gypsum, Lime & Alabastine, Page-Hersey, Steel of Canada, Loblaw's, Dominion Stores, Canadian Canners.

Research Investment Trust

I have been offered 10 units of Research Investment Trust in exchange for a $250, 7 per cent bond of the Western Shoe Co., due in 1934. Would you consider this a wise exchange? I am offered $240 for my bond and for the 10 units would have to pay $265.

You would take a considerable drop in security and also in marketability if you sold your Western Shoe Co. bond for ten units of Research Investment Trust.

Research Investment Trust is a young company, and it is too soon for the conservative investor to take a chance on its shares. The company is paying at the rate of six per cent on its preferred shares, but the units offered also include common on which no dividends are at present being paid and which is not likely to have dividends paid on it for some time.

You would be selling your seven per cent bond for less than par and buying your units in Research Investment Trust on a basis that would give you less than six per cent, in that you would be receiving less than five per cent on your money and would hold a security which is not listed on any stock market and which is, therefore, not easily marketable.

Silverwood's Dairies

Is Silverwood's Dairies Ltd. in a sound financial position? What are the future prospects for the company?

Silverwoods Dairies Ltd., has expanded rapidly in the last six or seven years, the expansion being financed by sale of stock through agents. No balance sheet has as yet been published and until that occurs no one can speak with absolute certainty as to the strength of the company's position.

United Fixed Shares

Would you kindly give me your opinion of United Fixed Shares as an investment? I have received a circular regarding this issue.

As explained in the circular sent you, United Fixed Shares sells shares at $9 which have behind them common stock of the leading companies in every line in the United States. Fixed shares are issued by the Empire Trust Co., representing 2,400 ownership of a combined list of 160 shares of common stock, four shares in each of 40 companies.

The shares are always there in the trust company as security behind the United Fixed Shares and cannot be changed except in case of a reorganization, merger or sale when corresponding equities will be exchanged, or unless dividends are dropped for three months. If dividends are dropped at all, stock may be sold, but if dropped for three months it must be sold. This stock of United Fixed Shares, having behind it stock bought at present low market valuations, has good prospects for appreciation when business revives.

Shawinigan, Winnipeg Electric

At present, I hold outright the following:

10 B. A. Oil, old, at $40.50.
10 Imperial Oil at $70.25.
5 International Pete at $53.50.
5 Shawinigan at $74.50.
5 Winnipeg Electric at $86.00.
25 General Steel Wares at $32.50.

Would you advise keeping these stocks?

We would advise you to continue holding Shawinigan and Winnipeg Electric stocks. The situation is more obscure with General Steel Wares, which has been affected materially by the business recession. Your holdings of British American Oil, Imperial Oil, and International Petroleum should also be adhered to as in the course of years you have a good opportunity for worth while appreciation.

Anglo-American Royalties

I have been offered units of Anglo American Royalties and Shares Corp. at $13.50. The debentures bear a 7½ per cent coupon rate and are convertible. Would you give me your opinion of this company? The return seems satisfactory but is there sufficient security?

Anglo American Royalties & Shares Corp. has some prominent Torontonians in the management and directorate. It can be regarded as likely to give shareholders a run for their money. Its business is investing in oil royalties, a field which offers possibilities of large returns if experienced judgment is continuously shown in the selection of royalties. Such royalties are subject to very heavy depreciation and, in fact, should have their capital costs written off in two years to be on the conservative side. The company appears, to have made good connections in the oil field through which it selects its royalties. Marketability is not very high in this class of stock, but returns are apt to be high and the purchase by one who could afford to hold might very well prove profitable. It is stated by the management that it is their intention to attempt to have the stock listed when debentures and stock have been fully distributed.

Canadian Marconi

Among my holdings are some common shares of Canadian Marconi purchased at $5 a share. Do you regard this as a sound investment? What is the outlook for the company?

The agreement between Canadian Marconi Company and Imperial and International Communications Limited, respecting the handling in Canada of overseas cables and wireless messages, may enable the company to improve its earning power. In addition to this, Canadian Marconi has completed a large new factory just outside of Montreal, which will more than double its manufacturing capacity. Thus the outlook for the company is improved, though its past record has not been a favorable one for shareholders. Profits in 1929 were higher than those of the previous year, but after heavier write-offs the balance available for distribution on the common stock was less than in 1928, when four cents a share was shown. We think the stock can only be regarded as a speculation, but in view of recent developments you might hold on and see how they work out.

When Women Invest

A WEEKLY FEATURE

Silverwood's Preferred

I am a regular and interested reader of your valuable paper. Would you be kind enough to send me your opinion of Silverwoods Ltd., preferred shares, at 7% and tell me what the price per share should be and if same can only be bought direct?

Also, would you consider Beauharnois Power Corp. Ltd., bonds a good buy?

Any information regarding these companies, particularly Silverwoods, Ltd., would be gratefully received, as it is to guide a lady with a small amount to invest.

Until Silverwood's Ltd. preferred shares are listed on a recognized exchange where market valuations can be established by actual trading from day to day, it would be only a matter of guesswork to say what the price should be. So far the stock has been sold direct on behalf of the company through agents and on the basis of the money received for it the company has expanded in an impressive manner. However, we would not think this a good investment for you until the company publishes a complete financial statement so that the strength of its financial structure can be gauged.

As you have a small amount to invest it would be best for you to put the money into some bonds which are the liability of a company whose earnings over some years have been demonstrated. Beauharnois Power Corp has excellent prospects, and bonds purchased would probably prove an excellent investment. You would be safer buying the bonds of any province of Canada or of such cities as Montreal, Toronto, Vancouver, Winnipeg, Saint John and Halifax. If you do not consider that yield sufficient, you can buy a Canada Bread six per cent bond, a Canadian Canners six per cent bond, a Dominion Canners six per cent bond or a Steel of Canada six per cent bond, whichever happens to be available on the market at the best price for you.

Bonds Versus Shares

Being a constant reader of your paper I would appreciate it very much if you would give me your opinion of the stocks I have bought. The list is not very large as I have only been interested in stocks for the past two years, but I buy all stocks outright.

	Per share
12 shares Imperial Oil	$18.00
20 shares Hollinger	7.50
5 shares Eastern Dairies	42.00
5 shares International Pete ..	22.00
6 shares Can. Westinghouse .	86.50

I want to build up a real investment account and would appreciate your advice as to whether you think Hollinger and Eastern Dairies are good stocks to hold. I am secretary to an executive of a large manufacturing concern and am in a position financially to invest about $500 a year.

Beside this I have a $2,000 investment bond with the Sun Life Insurance Co. at a cost of $151 per year—I sold my bonds and debentures to buy stock. Would you advise further purchases of common stock at the present market or would it be wise to hold off for a while?

While more safety and a steadier advance in wealth may be secured by the purchase of bonds and debentures and the re-investment of interest, the holding of shares representing ownership rather than debt offers better opportunities of quicker gains in capital to those whose judgment in buying is correct. The risks are greater and so also are the rewards to those whose purchases are limited to companies with good managements, good records and good prospects in a permanent industry.

Hollinger is on present return and prospects worth about the $7.50 a share which you paid for it. Future advances depend upon the company's investment account being well handled and upon its success in bringing into view greater ore reserves and finding new and hopeful prospects to develop. In recent years ore reserves have been diminishing.

Eastern Dairies is a holding company operating four subsidiaries engaged in the distribution of mil cream, butter and ice cream and th manufacture of by-products at Montreal, Ottawa, Toronto, Winnipeg an the vicinity of these places. The subsidiaries purchased have been companies doing good business, the company appears to be expanding in a way which promises well for the future, and the management is good. You paid much more than current prices for the stock, and as your hope for appreciation depends on the future of the company it would appear that your best plan is to hold it for some years. If the company shows improving profits over the next few years such a hold would prove profitable even at the price which you paid.

Most advisers suggest holding off the market for a while until business improvement makes itself evident. That is good advice for the person who is trading for immediate gain. For the person who is willing to ignore market fluctuations in the meantime and is in a position to purchase from time to time steadily, the resent would seem to be a good time r accumulation. Among the stocks t mentioned by you, but which may ove an excellent medium for a hold er some years we might mention razilian Traction, British American il, Building Products, Canada Bread, Canada Dry, Canadian Canners, Canadian Pacific (new), City Dairy preferred, Dominion Stores, Gypsum Lime & Alabastine, Imperial Tobacco, International Nickel, Laura Secord, Loblaw "A" or "B," Montreal Power, Page-Hersey, Paramount, Shawinigan, Sherwin-Williams and Steel of Canada.

Money Rates Influence Bond Prices

Two major factors influence the price of high grade bonds—viz., Supply and Demand, and the prevailing interest rates for money.

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On request we will be glad to furnish a list of high grade bonds.

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This starts you

The Financial Post,
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Toronto.

I enclose $5.00. Please send The Financial Post to the address below for the next year (52 money-making issues). Also I would like to have answers to the investment questions on the attached sheet.

Name ....
Occupation ....
Address ....
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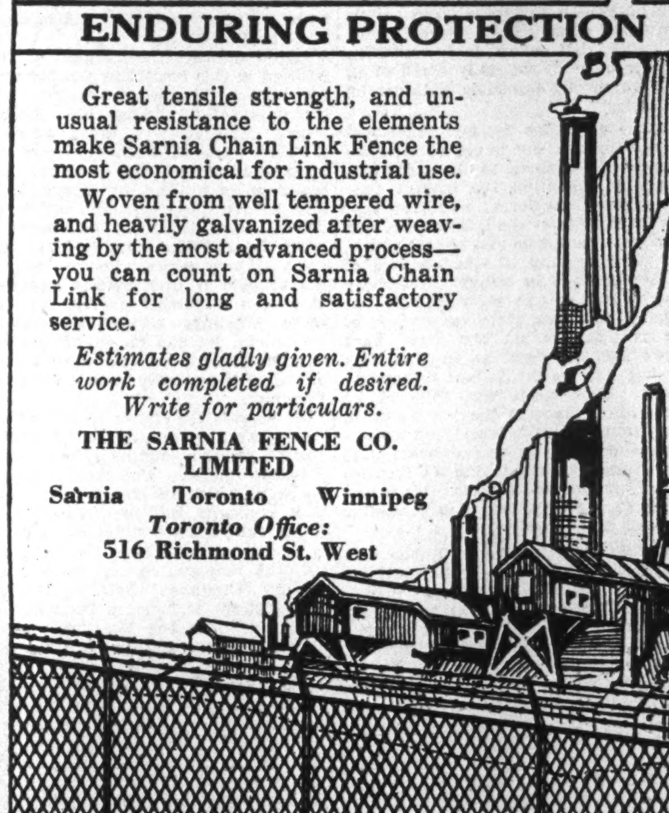

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Hudson's Bay Company.

INCORPORATED 2ND MAY 1670.

Hudson's Bay Company

A General Court of the Governor and Company of Adventurers of England trading into Hudson's Bay was held on Friday, the 27th June, 1930, in their Fur Sale Room at Beaver House, London, E.C.

Mr. Charles V. Sale (the Governor) presiding.

The Secretary (Mr. J. Chadwick Brooks) having read the notice convening the meeting and the report of the auditors, the Governor said:—

Ladies and Gentlemen,

Six weeks ago we celebrated the 260th Anniversary of the incorporation of your Company under the Charter granted by Charles II. on the 2nd May, 1670, and today we present the annual report upon our operations, which, with your permission, I will take as read.

We have made a change in form which I think will convey a clearer view of our Accounts. We now show in the Profit and Loss Account the interim distribution as well as the sums which it is proposed to pay by way of a final distribution, and you will find provision for this final distribution among the liabilities included in the Balance Sheet. In previous years it was necessary to refer to two Balance Sheets in order to discover the complete disposition of the yearly profits.

AUTHORIZED CAPITAL INCREASED.

In accordance with the authority given by the Proprietors on 24th June, 1929, the authorized capital of the Company has been increased by one million Ordinary Shares of £1 each. Five hundred thousand of these new shares were offered in July to the Proprietors of the then existing shares in proportion to their holdings at the rate of £4 per share, and applications were received for 492,224 shares.

The fractional rights represent 2,074 shares and as announced in the circular of the 6th July, 1929, it was intended to sell these and to divide any premium over £4 among the holders of the fractional rights. Unfortunately, the premium never reached the figure which I personally felt might reasonably be expected, and as quotations now stand there is no premium and so nothing to be divided. We have, however, a complete list of the owners of these fractional rights, and I am not without hope that in the course of time they may be rewarded for their patience.

No application was received for the 5,702 shares which made up the total offering of 500,000.

The proceeds of the new shares and the premium thereon appear in the Balance Sheet. The expenses of the issue, stamp fees, etc., were £6,697. The Government Stamp Fee was also paid on the 500,000 shares not yet issued, and the total of these outlays, namely, £11,697, has been charged to Profit and Loss Account.

The Reserve Funds have been increased during the year by £130,000. Of this sum £45,000 is set aside from the sale of lands in accordance with the provisions of the Supplemental Charter of 1912 and £85,000 goes to increase the Sinking Fund for Buildings, Fixtures, etc. As there have been several enquiries regarding the purpose of this Fund, may I explain that it is intended to provide for depreciation of the Buildings, Fixtures and Equipment. These stand in our books at their original cost or less, but, having in mind the rapid changes which may take place in a new and growing country, we have considered it prudent to provide for depreciation on a fixed and generous scale; hence this Reserve which, commencing in 1924 with £24,000, now amounts to £370,000.

The New Capital is reflected by a decrease of £598,000 in Creditors and Credit Balances, while on the credit side you will find cash at £316,000, showing an increase of £222,000. Debtors and Debit Balances at £1,523,000 are greater by £218,000 than a year ago, partly because the spring sale of furs took place a few days later than usual and so receipts fell due early in June instead of late in May, and partly because of larger outstandings in Canada, all of which are considered good. Land, Buildings and Equipment in Canada at £5,342,000 are higher by £365,000. This is accounted for by additions to the Victoria Store, to the Calgary Store and to the erection of a new warehouse in Edmonton. On the other hand, Stocks of Merchandise at £2,880,000 are lower by £226,000.

Suspense Account stands at £635,000 compared with £28,000 in 1929 and £446,000 in 1928. Owing to distances, our Canadian Accounts are closed on dates which vary from the London date, thus the figures we present today represent the position of the Fur Trade in Canada on the 31st May, 1929, of the Land, Stores and Wholesale Departments on the 31st January, 1930, and the results of the London Office to the 31st May, 1930.

Prior to 1928, the interim transactions between these varying dates were not separated in the London Balance Sheet, and when the change was made in 1928, I explained the circumstances to you in the following words:

> "The London Books naturally contain entries relating to the trade subsequent to these dates, but we have amalgamated such entries into one net sum which you will find on the credit side of the Balance Sheet. With this change there is no longer any intermingling of figures properly belonging to the next accounting period."

May I emphasize the fact that this Suspense item does not in any way affect the actual results which appear in the Accounts now presented. It refers entirely to transactions taking place in the accounting period following the one with which we are now dealing. To show how easily the figure fluctuates, I may say that Suspense Account was increased and cash diminished by £200,000 through remittances to Canada during the month of May.

LANDS.

In the Land Account we record an increase of £4,000 in the cash receipts from the sale of Town Lots and a decrease of £141,000 in the receipts from the sale of Farm Lands. The average price realized per acre on sales effected during the year was £2 0s 8d, compared with £2 8s 1d last year. There are some areas in which, for the time being, we consider it advisable to reduce our holdings, and in these land sales we have to compete with private owners and with municipalities who are themselves large holders of forfeited lands.

Taxes are down by £5,000 and a further sum of £13,000 has been spent on the improvements of our townsite at Edmonton, of which you have been advised on several occasions, and against this £8,000 has been placed to the credit, being the balance of the sum allocated many years ago for such improvements.

The Farm Settlement Scheme, to which I made reference last year, has been more costly than anticipated, exceeding the amount of our agreement with the Overseas Settlement Department by £7,500, and this appears as a charge in these Accounts.

£150,000 is transferred to Profit and Loss Account for distribution, and £7,200 remains to be carried forward against £47,600 brought in a year ago.

Turning now to the Profit and Loss Account, you will see that the Revenue from Interest on Instalments and from Rents is £98,000. This is £30,000 less than a year ago and reflects to some extent the non-receipt of the anticipated instalment from the Wheat Pool for the 1928 Crop and the crop failure in 1929.

Net Profit from Trading also falls short of last year. Then it was £427,000; now it is only £137,000. After bringing in £161,000 carried forward from the previous year, the total to the Credit of Profit and Loss is £529,469.

Of this sum £58,000 is required for interest at 5 per cent. per annum upon instalments received on the new shares up to 31st May, 1930, and £1,469 is carried forward to next year.

The net results for the year to you as Proprietors are a distribution of 7½ per cent. from land and of 10 per cent. from trade on the £2,000,000 Ordinary Shares and 5 per cent. on the £2,000,000 Preference Shares, whilst £20,000 is absorbed in the return of Dominion Income Tax.

Reserves, as I have already explained, have been increased by £130,000, but the amount carried forward, taking Land and Trade together, has been diminished by £200,000.

DIVIDEND EQUALIZATION FUND.

You will notice that we have not touched the reserve of £300,000 for Equalization of Dividends. Under normal conditions we might have done so, but in view of the very uncertain outlook, we think you will agree that it is advisable to conserve that Fund. Whilst on this subject, may I repeat some of the remarks which I made in 1928, when this Reserve was inaugurated:

> "All our efforts are subject to manifold conditions, such as the weather, the crops, change in demand, the rate of interest and ever-increasing competition. Sometimes these conditions are favorable, and profits good, sometimes they are unfavorable and profits not so good."

Then, after telling you that we had fulfilled a longstanding ambition by establishing a Dividend Equalization Fund as a stabilizing element, I went on to say:

> "In good years we hope to add to this fund, but I ask you to remember that it is established for use in the poorer years which, sooner or later, overtake every company. The mere fact that it is so used must not by itself be taken as an indication that the fortunes of the Company have declined, but merely as a sign that your adventure is passing through a difficult stage—it may be a commercial storm, or an outlay of capital still to become fruitful, or a combination of untoward events."

I would like you to bear these remarks in mind as you consider the results for the last four years, which have been set out in a table, of which copies have been given to you.

(Statement printed elsewhere on this page.)

The distributions or dividends are of course paid on the face value of the shares, namely £1, but the greater portion of the capital has been subscribed at an average of £4 per share, so that the return for the year is both disappointing and inadequate. Let me put it to you, however, that wind and tide and current have all been against us.

A year ago the monthly returns from the Stores showed satisfactory progress, and it seemed reasonable to anticipate improved collections in the Land Department as the farmers received the usual final payment for the 1928 Crop which they had been expecting from the Wheat Pool. Moreover, the Fur Trade promised well. It was therefore my hope and expectation that the celebration of our 260th Anniversary would be marked by exceptionally good returns.

COMPARATIVE RESULTS

Four Years Ending 31st May, 1930

YEAR	DISTRIBUTION FROM TRADE			Distribution from Land	ADDITION TO RESERVES		Carry Forward Increase
	On Ordinary Shares	Income Tax Refund	Dividend on Preference Capital		Land	Trade	
	£	£	£	£	£	£	£
31st May, 1927	150,000	21,000	100,000	150,000	21,000	38,000	6,000
31st May, 1928	300,000	30,000	100,000	200,000	57,000	381,000 (B)	10,000
31st May, 1929	300,000	29,000	100,000	200,000	38,000	160,000	90,000
31st May, 1930	200,000	20,000	100,000	150,000	37,000	85,000	200,000 (Dec.)
	£950,000	£100,000	£400,000	£700,000 (A)	£153,000	£664,000 (C)	£94,000 (Dec.)

(A) Free of Income Tax.
(B) Including £200,000 from Contingencies no longer required.
(C) This is £290,000 more than the net total of Land Revenues credited to the Profits of Trade.
(Dec.) Decrease.

	Preference Capital	Issued Ordinary Capital ranking for Distribution	Share Premium Account
	£	£	£
31st May, 1927	2,000,000	1,500,000	1,250,000
31st May, 1928	2,000,000	2,000,000	3,000,000
31st May, 1929	2,000,000	2,000,000	3,000,000
31st May, 1930	2,000,000	2,000,000	3,000,000

Interest has been paid at 5% per annum on the instalments of £500,000 New Capital received prior to 31st May, 1930. This will rank for distribution for the year ending 31st May, 1931.

CROP OF HIGH AVERAGE QUALITY.

As summer advanced it became apparent that the crops were suffering from drought. In some districts the harvest was good: in others it was a failure and the average yield of wheat per acre throughout the Prairie Provinces proved to be something less than half that in 1928. Closer study revealed compensating factors. The average quality was unusually high; harvesting costs were exceptionally low; and Winnipeg grain quotations were higher than those prevailing in 1927 and 1928; so that by September it seemed to be generally agreed that the total income of the Prairie Provinces from agricultural products might reach within eighty per cent. of an average year and that such a decrease could be faced with equanimity.

But other events, having a more serious effect on our income, were yet to be encountered.

While the price of wheat on the Winnipeg Grain Exchange remained constant at about $1.40, it was gradually realized that this was a nominal quotation and that the greater portion of the 1929 crop, as well as tens of millions of bushels of the 1928 crop, were still unsold. With the collapse in January, it was recognized that the hope of any further payments on both the 1928 and 1929 crops must be abandoned.

Such were the conditions responsible in large degree for the falling off in the receipts of sums due for sales and collections in our Land Department.

INCOME.

Not only was the farming income diminished owing to these conditions, but our Stores have shared in the general experience of Canada, which could not be better expressed than in the following words taken from the Toronto Financial Post of the 8th May last:

> "Hardly an individual in Canada has failed to realize that, however remote he may live from the wheat fields of the west, however far his interests may seem to lie from growing and selling, in some way or other he is personally and vitally concerned with wheat. Something went wrong with wheat. At first it seemed to be the business of the farmer only, but soon it became everybody's business. The man who went to the bank to borrow money heard about wheat. The importer who set out to buy foreign exchange heard about wheat. The factory executive heard about wheat, and soon the whole factory was thinking about wheat and thinking of it in terms of employment and wages. The merchant, and not only the merchant on the prairie, but every merchant from Halifax to Vancouver, and whether he sold silk stockings or steam turbines, heard about wheat. The fisherman of Nova Scotia, the miner of Cape Breton, the lumberman of British Columbia, each in his turn heard about wheat. Each learned to realize that wheat had something more to do with the daily bread of us all than merely providing the loaf on the table."

In the meantime the Fur Trade had its own troubles, due to causes far more widespread. I mean to that economic depression which at the present time affects the whole world. You know that this trade involves the collection of furs from many scattered and remote points, and that we have to take our risk of market changes in selling them many months later. It so happened that our October Sale took place on the eve of the great decline on the New York Stock Exchange, and as in 1920, furs led the way in the fall of commodity prices. This event was followed by numerous failures in the Fur Trade in every country in the World and by successive declines in our January and May Sales, so that, taking all furs together, we find the average price is now about 45 per cent. less than prevailing eight or nine months ago.

I have now shown you how the aspect of our affairs in the Stores, Land and Furs changed so materially within the short period of a few months. We have taken such steps as could be taken to meet the conditions and, as intimated in the Report, have sold our furs at the lower prices. This was a sacrifice demanding courage, but, having made it, we have the satisfaction of knowing that all those engaged in the manifold stages, from the raw skin to the finished garment, enter upon the new season with far more confidence than would have been the case if we had withheld our goods, and left the trade without that foundation for the daily market, which is established by our Public Sales, where buyers from all over the World fix the price.

BUSINESS IN CANADA.

The operations of the Wheat Pool have played such a dominant part in the fortunes both of Canada and the Company that I may be excused for returning for a moment to a fuller consideration of that subject. It is not my wish to attack or defend the selling policy which, as you are well aware, has been criticized for its alleged injury to business throughout Canada; but if an outsider may express an opinion, there are mitigating circumstances.

Just over a year ago the Government of the United States established the Federal Farm Board, placing a revolving fund of five hundred million dollars at its disposal with the avowed object of raising the export price of agricultural products. Out of this fund, large quantities of wheat were purchased and temporarily taken off the market.

Then also, just over a year ago, the advent of the Labor Government in England led to the belief that the English Government would establish an Import Board and so become the sole buyer of wheat for the United Kingdom, and last summer, under the influence of the proposed visit of Mr. J. H. Thomas to Canada, Winnipeg prices advanced from $1.15 in June to $1.70 early in August.

When I arrived in Winnipeg early in September, it was openly said that the advent of the English Government as sole buyer for the United Kingdom would take the price up to $2.00 per bushel. Can we altogether blame the Wheat Pool, whose duty it was to secure the best prices for their members, for holding out for the higher prices, which seemed so well assured?

I draw attention to these influences, because, speaking as an individual, I think they indicate the harmful and costly consequences of any incursion by Governments, or even the suggestion of an incursion, into the arena of trade.

STRENGTH OF POSITION.

Returning again to the Accounts, may I say that we devote special attention to the values given in the Balance Sheet, and I feel you may wish to be assured that we have met the difficulties of this past year without relaxing our standard. There have been greater changes in our trade during the last ten years than during the previous fifty. It is in such conditions that a business may easily find itself encumbered with assets of a fixed nature such as Buildings and Equipment, which stand in the books at a large figure and, being out of date, must be replaced in order to keep pace with competition. This is not so in our case. The principal stores, including four large modern buildings with their fittings and fixtures, and the valuable sites which we hold for use and future development in connection with our trade throughout Canada, are by themselves worth more than the total of £5,342,000 appearing in the Balance Sheet; but that total also includes the book value of the buildings occupied by the smaller stores and the Fur Trade.

May I indicate the strength of your position in this respect in another way? We have a Reserve of £370,000 under the name of "Buildings, etc., Sinking Fund." This Reserve, taken by itself, is more than sufficient to cover the book value of all the smaller store buildings, of all the Fur Trade Buildings at over 300 posts and all of our delivery and transport equipment of every description, whether on land, river, lake or ocean. So you will see that should it ever become necessary by reason of further changes to scrap these buildings and this transport equipment, we can do so without impairing your capital, and when I speak of Capital I naturally include the Share Premium.

As regards the shares in other Companies, we have one sum of £95,000 invested in the Hudson's Bay North Russian Trading Company, all the shares of which are owned by ourselves. This company has been dormant for some years, but the whole of its capital is in cash and has been deposited with us, the amount being included in Sundry Creditors. Between £500,000 and £600,000 is invested in Companies connected with the Fur Trade. This sum includes our interests in the Revillon Freres Trading Company of Montreal, the McLure and MacKinnon Fox Farms in Prince Edward Island, Messrs. Job Brothers and Company, Limited, of St. John's, Newfoundland, and Messrs. C. M. Lampson and Company, Limited, of London—all of which have been mentioned to you within the last three years. The balance represents various interests and holdings which we consider to be to your advantage.

OIL IN CANADA.

In the Land Department you have a great estate. Our holdings are scattered in blocks of not more than 640 acres over the Fertile Belt, an area of 215,000 square miles, just a trifle larger than France. Besides the land, we have in this Fertile Belt the mineral rights in 4,650,000 acres, and we are always on the lookout for some means of earning a revenue from them. For several years past I have told you of the steps we have taken to investigate the possibilities of Oil, and now I have to tell you that the Marland Oil Company, with whom we have been associated for several years, has been merged in a much greater combination, known as the Continental Oil Company. I am happy to say that the pleasant relations, so firmly established with Mr. Marland, have continued with Mr. D. J. Moran, the President of the enlarged Company.

The policy of the Canadian venture which we share with our friends was carefully reconsidered at the Annual Meeting held during my visit to Winnipeg last September. In order to give a wider scope for possible developments than were contemplated four years ago, the name has been changed from Hudson's Bay Marland Oil Company to Hudson's Bay Oil and Gas Company, with a Board of Directors in Winnipeg and an operating department in Calgary. Mr. George W. Allan, K.C., is Chairman, the other members of the Board being Mr. D. J. Moran, President of the Continental Oil Company; Mr. W. H. Ferguson, Vice-President of the same Company; Mr. James Richardson and Mr. James Thomson, both members of our Canadian Committee; Mr. R. Van A. Mills, in charge of operations, and lastly, myself.

Speaking generally of Oil in Western Canada, I may remind you that the search commenced in these Western Provinces about 1912, but was interrupted by the Great War. The first well to yield satisfactory quantities was Royalite No. 4, drilled by the Imperial Oil Company in the Turner Valley in 1924. This still remains the largest producing unit, but other smaller wells are one by one adding to the production of the Province and there is increasing activity throughout a wide territory. In Southern Alberta alone over 40 drilling operations are in progress and the results will throw valuable light upon our own holdings in that district.

Coming now to the operations of the Hudson's Bay Oil and Gas Company. The drilling of test wells which I mentioned a year ago gave indications which justify the next stage, namely, the drilling of deep wells, and this work is now actively proceeding in five separate areas.

Last year when speaking to you on this subject, I asked you not to count on any large revenues from oil-bearing lands until we are in a position to give you information based on actual production. In repeating that injunction, as I do now, I feel bound to tell you that the keen and active interest displayed by our highly experienced friends in pressing forward our joint venture makes me believe that you have an element in this Hudson's Bay Oil and Gas Company which may become of great value. When and where and to what extent, I cannot say.

During 1929 I made my sixth annual visit to Canada, and together with Mr. George Allan visited the principal cities and met the chief officers of your Company, and in the course of a lengthy visit to Winnipeg I had the opportunity of discussing your interests with the members of the Canadian Committee. Lord Ebury is now completing a similar tour. With his knowledge of Canada and his experience as Chairman of the Army and Navy Stores, so well-known to you in London, I feel sure this visit will redound to the benefit of your Company.

TRIBUTE TO CANADIAN COMMITTEE.

May I say once again—for I cannot say it too often—how much we owe to the members of the Canadian Committee for their constant attention and the inestimable value of their services. It gives me pleasure to inform you that through the good offices of Mr. George W. Allan, the Chairman, we have been able to add to that Committee another well-known citizen of Winnipeg, Mr. Hugh Buxton Lyall, whose wide experience in Western Canada will be of great value to the conduct of our business.

Let me here say something of the evolution of the Canadian Committee. It began in March, 1912, as an advisory body, but in 1923, with the delegation of more extended powers, the name was changed to Canadian Committee. Since then we have enjoyed more frequent opportunities for meeting our colleagues in Winnipeg and have instituted many changes throughout the Company's organization with the object of bringing your affairs in Canada within their purview, and last year we took the final step by constituting Winnipeg as the centre for all our operations throughout Canada.

Hitherto the management of each Department has been vested in the respective Commissioners and General Managers, and appointments were made from London, but with the evolution to which I have referred, we have empowered the Canadian Committee to make these appointments, and thus we have provided for the complete administration of your affairs in Canada through the Canadian Committee.

CANADIAN PROSPERITY.

You may ask for an expression of my opinion regarding the future, but if you will consider the news which the Press have set before us day by day, week by week, for some months past, you will agree that we are living in a period of low visibility. At the present time almost every nation and every trade is afflicted with depression and pessimism, but there is a saying that action and reaction are equal and opposite. If we hold on, with steady minds, sooner or later, as time and circumstances decree, the sun of prosperity will break through these passing clouds and shine again. Our fortunes are involved in the prosperity of Canada, and nothing will shake my belief in the future of that great country. Not only have we to reckon on her unrivalled natural resources, but we can count on the vigor, the enterprise, the spirit of cheerful courage, which animate the Great West, to justify our faith in the destinies of the Dominion.

Let us therefore, whilst preparing for a difficult period—and I do not wish for a moment to disguise from you that it will be a very difficult period—let us, I say, try to find the silver lining in the clouds and gather what encouragement we may.

I now move, "that the Report, Balance Sheet and Profit and Loss Account for the year to the 31st May, 1930, as now presented, be and they are hereby received, approved and adopted."

Sir Frederick Richmond, Bart. (the Deputy Governor) seconded the motion.

COMMENTS OF SHAREHOLDERS.

Mr. C. L. Nordon said that on previous occasions he had ventured to address the Proprietors, but his observations had not been received in the spirit which he might have expected. He had been subjected to attack and held up as an agitator, merely because, as one of the oldest shareholders in the Company, he had put forward suggestions and prophecies in the interests of their hitherto great undertaking, most of which had been fulfilled. Since 1927, as the table circulated amongst the Proprietors set forth, they had received in dividends £950,000 on their Ordinary Shares, but during that period the Proprietors had contributed out of their own pockets £6,000,000 to the Company, and of that £6,000,000, on a rough estimate, they had lost £1,500,000. The Proprietors would see that there was invested today in the trading capital of the Company the huge sum of £10,698,000, and upon that enormous sum the Governor and Committee had been able to earn only £137,000. That was equivalent to only 1½ per cent., although the dividend declared on the nominal capital might be said to be 10 per cent.

He declared that they wanted a Governor and Committee who were free from outside entanglements. He suggested that the Proprietors should resolve that the report and accounts should not be accepted. If that happened they would suffer no jeopardy, but they would cause the Governor and Committee to answer the question he had put. With regard to the re-election of Members of the Committee, he suggested that Mr. Cunliffe should be re-elected.

Mr. Salaman asked whether the Stores in Canada were being run at a profit.

Mr. David Holt strongly criticized the balance sheet and suggested that the meeting should be adjourned in order that the Proprietors might be given a clearer statement regarding the position of the Company's affairs.

Mr. Percival Frere Smith asked what had happened to the £2,000,000 subscribed by the Proprietors during the year.

Sir John Keane said that he was uneasy about the way that things were tending in the Company. For several years they had been issuing more and more capital and had been earning less and less upon that capital. The operations of the Company's stores and its fur sales, which were separated for many years, had now been amalgamated, and the Proprietors were unable to tell, as they had a right to be able to, whether profits or losses were being made. He did not believe that the Company would ever be put right so long as the management was in London. He knew the difficulties that would be involved and the upheaval that the adoption of such a course would entail, but he believed that it was essential to have a working board in Canada. A modern board of directors was nearly always advisory, and to his mind, an advisory board must have special technical knowledge of the country where the Company's operations were carried out and be located in that country.

GOVERNOR REPLIES.

The Governor in reply said:

I might question the manner in which Mr. Nordon presents the figures in the first part of his circular, but think I need not take up your time in doing so. The substance of his criticism is that the trading results for the last year are not large enough. In that I agree with him, but the facts and figures were given to you in the Accounts circulated a few weeks ago, and I trust you will think I have dealt sufficiently with the subject in my speech.

If you will turn to the Balance Sheet, you will find that we mention among our assets "Land, Buildings and Equipment in Canada, £5,342,000." Mr. Nordon omits the Equipment, and so he exaggerates the total invested in Land and Buildings.

Mr. Nordon criticizes the expenditure on buildings, particularly in London, because he says the Company's main operations are in Canada.

We selected this site and we designed this building with the object of confirming this neighborhood as the centre of the London Fur Trade. We felt that such a step would assist this market in maintaining its pre-eminence as a World market, and let me say that the selling of furs in London to the best advantage—which we have done for 260 years—is just as much a main operation as the collection of Furs in Canada.

The building is fitted with a cooling system, with Cold Storage and other conveniences, so that the fine furs we collect, which are of great value, should not deteriorate while in store or in course of examination. We have tried to provide in every possible way for the convenience and comfort of the important buyers who come to our sales from every part of the World, and we have done all this in the belief that if we of the City of London desire to retain our trade, we must march with the times, and if we desire to increase our trade, we must make ready for it in advance.

These things cannot be done without the expenditure of money, but, so far as we have gone, the results promise satisfactorily. Our business is expanding in new directions, bringing revenue which helps to pay the current expenses of the building, and this Sale Room is now occupied for about four months of the year in the selling of furs by other members of the trade.

So far as Canada is concerned, I am satisfied that our policy will be justified by the growth of that wonderful country.

CRITICISMS ANSWERED.

Mr. Nordon suggests that incompetence or dishonesty is the cause of the poor results for the last year. He insinuates that the rent paid by Sale & Company and their subtenants in Hudson's Bay House is insufficient, and desires to know who fixed it. My answer is that the rate was fixed by our Estate Superintendent and was also approved by the Committee. The rental is proportionately somewhat higher than that paid by the tenants on the other floors.

Mr. Nordon states that the Merchant Trading Company, of which I am the Chairman, is carrying on a similar business to that of the Hudson's Bay Company. My answer is that it does not carry on a similar business.

The shares in the Merchant Trading Company, held by Sir Thomas Hewitt Skinner and Sir Frederick Henry Richmond, are held by them as trustees for the Hudson's Bay Company, as customary.

These shares were acquired by the Hudson's Bay Company about ten years ago in the interests of the Proprietors, and these were the circumstances in which they were acquired:

A. I was invited, early in 1915, to become a member of your Committee in order to carry out contracts with the French Government.

B. My work in that respect was instrumental in securing for your Company business of considerable magnitude, which, at the request of the French Government, was actively continued for several years after the War.

C. Quite a large proportion of your dividends during the seven years, 1916 to 1923, arose out of those transactions.

D. All that business was extraneous to your regular trade, and when the question arose as to whether any effort should be made to carry it on under peace conditions, your Committee decided, after very careful consideration, that it would be better to confine their attention to the Furs, the Lands and the Stores in Canada, and not to take the risks of continuing the operation of steamships and of trading on a large scale in commodities, such as Wheat, Sugar, Coal, and so forth, under conditions which would be totally different from those of wartime.

E. Then came the question: Could your Company make an arrangement for transferring the good-will and the relations which had been formed in connection with this extraneous business in such a way as to secure a share of the profits and yet limit their liability? This also was considered by your Committee, and they decided to acquire a holding in the Merchant Trading Company, which was at that time a combination of important interests in London and abroad, and was actively engaged in overseas trade with many countries.

The question of underwriting was brought before an Extraordinary General Court on 15th January, 1926, and the details were formally approved. Mr. Nordon's intervention did not in any way influence the decisions of your Committee on the occasion of the last issue.

"Shares in Other Companies" I have dealt with in my speech, but I may add that Mr. Nordon is entirely wrong in stating that Messrs. C. M. Lampson & Company, Ltd., is a firm under American control. It is an English firm, established in London over a century ago, and Sir Curtis Miranda Lampson was Deputy Governor of the Hudson's Bay Company in 1863.

Mr. Nordon describes Suspense Account as a "cryptic asset." I have already quoted in my speech the explanation of the item which I gave two years ago, but again, a year ago, I said:

> "Suspense Account represents the net balance in respect of departmental transactions between Canada and London, taking place after the date on which the Canadian Accounts were incorporated in the London Balance Sheet now before you. This Suspense Account will vary one way or the other from year to year, according to the ebb and flow of money and goods in the Company's account with Canada."

Mr. Nordon says "the Directors appear to have departed from the scheme laid down in the Company's Charter, namely, that it should be under the control of a whole-time Governor and Deputy Governor, and with a Committee of substantial shareholders."

This statement is quite unwarranted, as the Company's Charter contains no such provision.

Mr. Nordon mentions four members of your Committee by name: Sir Frederick Richmond, Lord Ebury, Mr. George W. Allan, Mr. A. K. Graham; and desires to know why they were co-opted. My answer is: They were co-opted because it was believed that their services would be of great value to the Company, and they have since been re-elected by the Proprietors from time to time.

Mr. Nordon's allegation that the Company is making unauthorized payments of Income Tax in respect of the remuneration of Managing Directors is incorrect. The Managing Directors themselves pay the tax on their remuneration as such, and no payments of Income Tax are made which are not expressly authorized in the By-Laws.

OFFICERS ARE RE-ELECTED.

On being put to the meeting, the resolution for the adoption of the report and accounts on a show of hands, was not carried.

The Governor announced that a Poll had been demanded, and that this would be taken at once.

The Poll was then taken, and the meeting adjourned until later in the day.

When the meeting re-assembled, the Governor said the result of the Poll was as follows:

For the Resolution, 12,931; against, 1,588. The Resolution was therefore declared carried.

On another Poll the retiring members of the Committee, Mr. A. K. Graham, Mr. L. D. Cunliffe and the Hon. A. J. P. Howard, were re-elected.

The auditors, Messrs. Deloitte, Plender, Griffiths & Company, were re-appointed.

The Governor said: That concludes the business of the meeting.

Now, the meeting being over, I should like to repeat what I said this morning. It is obvious that some of you gained the impression that there may be something in the charges which have been made against myself and the Committee.

There is, in fact, no foundation for these charges, but we are naturally anxious that any impression you may have gained to the contrary shall be removed. We propose therefore to approach some of the most important Proprietors, and ask them to select a Committee of independent Proprietors who have taken no part in these discussions, and let them investigate the subject and report to you. I need hardly say that we shall afford every facility to the Committee in making its enquiries.

We are taking this step voluntarily, and we must stipulate that if the report should be favorable to your Governor and Committee, the constant agitation which has continued for so long should be abandoned, and we should be left in peace to carry on the business of the Company to the best advantage of the Proprietors.

VOTE OF THANKS.

Mr. B. A. Glanvill said: Ladies and gentlemen, before we separate I should like to propose a vote of thanks to the Governor and to the members of the Committee. Their names are so well-known throughout the world that no recommendation is needed from me or from any one else. I deplore what has happened at this meeting today and I wish at this late hour to thank you, sir, for the very wonderful statement which you gave us at the beginning of the meeting and also to thank you for the enormous amount of work, time and thought which you give to this Company, as well as for the great benefits which we have derived therefrom. I also wish to thank your colleagues for the work which they have done.

I regret that because of the difficulties which exist in Canada at this time, and indeed throughout the world, a certain number of shareholders—very few in number and perhaps those who have only bought their shares recently—should come here and make wild statements such as have been made today. I think it is extremely good of you to be willing even to consider the remarks that have been made and also to be willing to have an investigation. I hoped you would not, because everybody knows the character of the gentlemen who are sitting with you today and that it needs no investigation.

I feel I must thank you—and I do so on behalf of the many shareholders who are not here and have sent in their proxies—for your conduct in the chair, for the immense amount of work which you do and for the great interest which you take in this Company and the wonderful results which you have achieved. Because our dividend is reduced, why should we cry out? It means that our Governor and his colleagues have had great anxieties while we have had nothing to think about except perhaps that we should not have quite so much dividend. They have been suffering all the way through these troubles, and the least we can do is to express our thanks to you and to them and to ask you not to be discouraged but to go forward with the strength and confidence which you have had in the past, knowing that ultimately this Company will achieve the great success which it has had in the past. (Applause.)

The vote of thanks was seconded and carried nem. con. and briefly acknowledged by the Governor.

A vote of thanks was also unanimously accorded to the Staff, both in Canada and in London.

The proceedings then terminated.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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ASK EARNINGS EACH QUARTER NEW LISTINGS

Toronto Stock Exchange is Expected to Follow Montreal Example

CONSTRUCTIVE STEP

Leading Companies May Take Hint—Present Methods Drive Traders to U.S. Stocks

It is probable that Toronto Stock Exchange listing committee will follow the Canadian precedent set by the listing committee of the Montreal Stock Exchange by requiring all companies listing in the future to present quarterly statements. It is known that a number of members have been in favor of this move for some time but others desired that it should not be taken by the Toronto exchange until there was a prospect of the larger Montreal stock exchange taking the same action. The news from Montreal will therefore strengthen the hands of those who are strong for the quarterly reports.

Canada Lags Behind

If and when taken, the requirement as to quarterly statements will not be binding on companies whose stocks are already listed, but a number of brokers hope that the hint will nevertheless be taken. Canada lags very far behind the United States in this respect where all the main companies publish quarterly or even monthly figures. It is no longer considered sufficient by most shareholders to have annual reports which contain information on which they would have acted if they had known earlier. In fact, it is urged that many Canadians invest and speculate in United States stocks just because it is the custom south of the line to publish earnings figures either monthly or quarterly, and it is therefore possible for the shareholder to follow the fortune of his investment more closely and with greater intelligence than is possible in Canada.

Some Companies Object

Many directorates have resisted all suggestions that quarterly or monthly reports should be published, saying that such reports would be misleading as their business results vary much according to seasons. In Canada such companies as Loblaw Groceterias, Dominion Stores, Laura Secord, Hunt's, International Nickel, Canadian Pacific Railway, Canada Dry and Canadian National Railway as well as many public utilities give monthly data; and these gain much more sympathetic consideration from the public as a result. It is true that when business falls away it is an invitation to many shareholders to sell out if they get frequent reports of earnings; but the desire to keep back such information is always productive of suspicion and anger. Under such conditions insiders can take advantage of a condition known to themselves whereas the general public can only guess that things are going wrong because traders see market valuations declining.

Demand a Better Break

Actual facts concerning a company are what the present-day traders demand and shareholders really have a moral right to learn what success their companies are having. Canadians have seen in the last year the condition of several apparently flourishing companies change materially within a short time. Wise ones have been able to deduce what was happening but others not so closely in touch with market conditions were much surprised when annual reports came out. The present situation is favorable to insiders who can unload when things go badly and buy when business improves.

Montreal Exhibition Earnings Show Gain

From Our Own Correspondent

MONTREAL.—Result of operations of the Montreal Exhibition Company to date show an improvement for this season compared to that of last year. For the present season to the end of June, after deduction of all expenses, interest, etc., net earnings show an increase of $33,400, as compared with the corresponding period of a year ago.

The current season, it is stated, gives indications of being by far the best since the company commenced operations at the big baseball stadium. Attendances at the home games of the Montreal Baseball Club have shown gratifying gains. This has been due in large part to the better showing of the club as compared with other years, and to more favorable weather conditions, which have necessitated postponement of only a few games. So far there have been no cancellations at the week-ends, when the company benefits so largely by the big crowds that attend the games.

Montreal Power Revenue Increased by Service Charge

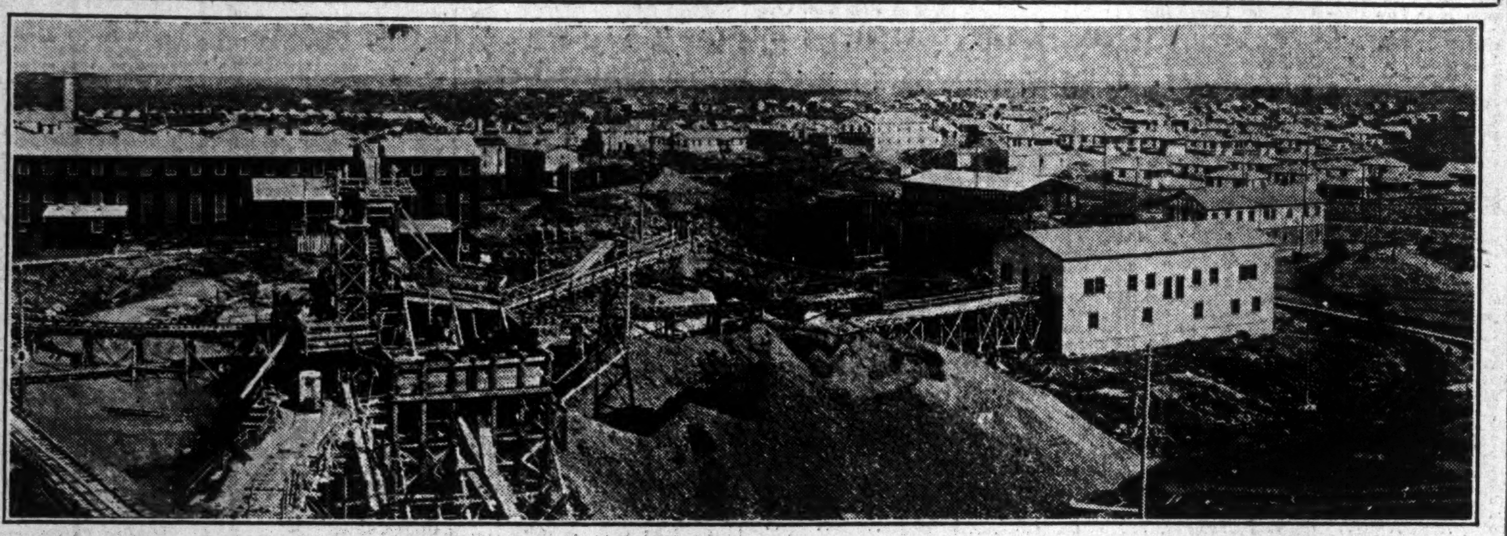
From Our Own Correspondent

MONTREAL.—That the earnings of Montreal Light, Heat and Power Consolidated are well diversified is generally known, but the average customer of the company does not realize the large sum involved in the small monthly service charge—15 cents per month for each electric customer and 10 cents per month for each gas customer.

According to the latest information, the company has 231,172 electric customers on its books. With each paying 15 cents per month for service, the monthly income is $34,675.80, or $416,109.60 for the year. 184,639 gas customers are on the books, with each paying 10 cents a month for service, bringing in to the company a monthly income of $18,462.90 or $221,554.80 per annum. The total revenue from this source is approximately $637,665.

The 25 cent charge per month for both gas and electric customers, while comparatively a small amount to the customer, means quite a substantial sum annually to Montreal Power. Prior to the recent split, the income from this quarter accounted for approximately 30 cents of the dividend requirements on the common, or 12½ per cent of the total annual payments.

Wilderness Settled as Hudson Bay Mining Nears Production



Here's a Maytime view of Flin Flon on the Manitoba-Saskatchewan border. The buildings in the foreground are connected with the mine of the Hudson Bay Mining & Smelting Co. A view of the plant of Hudson Bay Mining is shown in this week's mining section, which also contains a review of the present position and prospects of this new and important exploitation of the mineral wealth of Canada.

ALTA. PACIFIC CLOSES SEASON OF OPERATIONS

Expect Grain Company's Earnings Will be Less Than in 1929

From Our Own Correspondent

MONTREAL.—Fiscal year of Alberta Pacific Grain Co. came to an end last month and if predictions are realized, the financial statement will show earnings on a lower level than was the case in 1928-29.

The grain business has not been particularly successful in the past twelve months. In the first instance, the volume of crop was lower than in the preceding year. On top of this was the general unsatisfactory marketing conditions and the limited movement of grain to overseas markets. Companies such as Canada Steamship Lines, to say nothing of the railways, keenly felt the small export demand and profits were restricted.

Though Alberta Pacific has not made any official statement on operations for some time, operating conditions were not unlike those experienced by others in the grain business. While the amount of grain held in storage probably compared favorably with the previous season, the volume handled through the elevators was below that recorded in 1928-29.

Finances are Strong

It is difficult to foretell the extent of the decline in business of the company for the past year. For the year ended June 30, 1929, the financial statement showed net earnings of $1,440,906, an increase of roughly $100,000 over the previous year. After taking care of depreciation, bond interest, etc., there remained a net profit of $913,377. This was equivalent to $30.45 a share on the preferred stock and $7.03 on the common stock.

There is no reason to doubt but that the preferred dividend was earned by an ample margin during the year just ended. During the last two years, when the same amount of preferred stock was outstanding, average annual earnings on the stock amounted to $29.89, as compared with dividend requirements of $7.

The surplus available for distribution on the common stock, as a result of operations in the twelve months ended June 30, 1930, however, will likely be less than in the preceding two years. No dividend is being paid on the stock so that the management does not have to give consideration to dividend payments.

Alberta Pacific has always been a conservatively operated company. The management has taken care to build up strong reserves and maintain a good working capital position. At the end of the 1929 fiscal year, for example, surplus amounted to $1,726,784 and working capital $1,954,669. Thus while the past year may have been an off season, the financial position of the company will not likely show any weakening.

Redeem Some Bonds

The position of the preferred and common stocks was further strengthened by the redemption this year of $105,500 of the company's first mortgage bonds for sinking fund purposes. The funded debt, accordingly, has been cut down to $3,119,000. In addition the company has outstanding $3,000,000 of preferred stock, 80,000 class "A" shares and 20,000 class "B" shares, each of no par value.

Discouraging reports on the wheat situation have had an adverse effect on the market position of the company's preferred and common stocks. During 1929 the "A" stock sold up to within a point or two of 70, and is currently selling around 10. Though there does not appear to be any immediate possibility of a dividend on this stock, equity and earning power behind it, afford fair possibilities for a stock of its class.

Metropolitan May Sell Its Stores to Newberry

Metropolitan Chain Stores, Inc., which owns 43 stores in Canada through its Canadian subsidiary, may be sold to J. J. Newberry Co. According to Dow, Jones & Co., J. J. Newberry Co. is at the moment conducting negotiations with the object of adding the 148 United States and Canadian stores in the Metropolitan chain to the 290 stores which are already operated under the Newberry aegis.

Though ownership of the Metropolitan stores in Canada is entirely in New York, except for such shares as Canadians have in the American company, the passing of ownership of such a large number of stores will be a matter of interest to the whole mercantile community. If the negotiations are successful the chain will, under Newberry control, represent the first holdings of the latter company in Canada. In the United States the Newberry Co. owns its 5 cents to $1 stores in 17 states of the Union.

Canadian Stores Are Profitable

Metropolitan chain stores in Canada have shown increasing business in 1930 as compared with 1929 at the same time that the United States stores have been showing a 10 per cent falling off in earnings. At the end of 1929 Newberry Co. showed a financial statement which showed a strong working capital position and ample funds to provide for expansion. As it had planned to add fifty new stores in 1930 the new arrangements, if consummated, will give it three times the stores provided for in its objective. Some financing will probably be required. Newberry reports of business in 1930 show an increase over the same period last year.

Metropolitan Chain closed a number of unprofitable stores since 1930 began.

Beatty Bros. Will Finish Best Year on August 31

Beatty Bros. sales for the year ending August 31 will show a larger volume than in the preceding year if the record for the first eleven months of the year is continued in the twelfth month. Directors, who met on July 21, to declare the usual dividends and attend to routine business heard reports of sales, prospects and revenues which they considered satisfactory.

Operations generally throughout the 35 branches of the company in Canada are proceeding more actively than a year ago. The business in England and in New Zealand in electric washers and other products of the company is growing, and it is likely that when the president, W. G. Beatty, reviews the year at the annual meeting in November or December he will be able to say once again what he said at the last annual meeting: "The sales for the year were the highest in the history of the company."

The Financial Post is informed that the increased business of the company is in dollar value as well as in units sold.

BEAUHARNOIS WORK ON CANAL MOVES RAPIDLY

Excavation Costs to Date Below Engineer's Estimate

From Our Own Correspondent

MONTREAL. — Construction of the Beauharnois Power Corp. 15-mile canal is well ahead of schedule. Extensive large scale equipment, costing in all some $4,000,000, has been operating satisfactorily. The company reports that costs are somewhat below the estimates of the engineers. Work since the spring break-up has put as heavy a load on the excavating equipment as it will be called upon to bear in the future. Thus it has been possible accurately to determine costs.

At the Valleyfield end of the canal, the corporation's hydraulic dredge has already completed the largest proportion of the excavation required to feed the initial 200,000 h.p. installation. It is this three to four mile section at the western end of the new channel in which excavation is required. Due to the contours of the ground in the centre and eastern sections, of new canal, banking rather than excavating is required.

Rock Work Progressing

At the power house and tail-race site is encountered the only rock excavation. The amount of rock taken out to date there is also well in line with the construction programme.

Along the actual route of the canal more than eight miles of dyking have been completed by the excavating equipment. This equipment includes the construction railway with its 125 pieces of rolling stock, eight gasoline shovels, five electric shovels, four steel power excavators, one hydraulic dredge with a capacity of 1,500 cubic yards an hour. The tower excavators move ten cubic yards in each bucketful.

Ditchburn Net Shows Increase In 1929 Report

Profits of Ditchburn Boats for 1929, after deductions for depreciation and other reserves, but before federal income taxes amounted to $30,734, according to the annual report which has just gone forward to shareholders. This compares with profits of $25,147 of the prodecessor company in 1928. After paying dividends on $104.800 7 per cent preferred stock there was available for the common stock an amount of $23,398, equivalent to 59 cents a share on the 39,987 no par value shares outstanding. Dividends paid amounted to $10,277.

Working capital dropped from $181,072 at the end of 1928 to $66,871 at the end of 1929. Fixed assets increased in the same period from $153,295 to $195,310 while total assets were down from $370,332 to $352,829. Current assets stood on December 3, at $150,554 and current liabilities at $83,683. Principal items in current assets were $50,721 receivables and $86,051 stock in hand, and in current liabilities were $31,397 bank loan, and payables $41,981.

Surplus brought forward into 1929 amounted to $47,746, and with the year's surplus of $20,457 the amount brought forward into 1930 was $68,203.

Income and Surplus

	1929	1928	1927
Net earnings	$30,734*	$24,607	$20,052
Pref. dividends ..	7,336	......	......
Com. dividends ...	2.941	......	......
	20,457	24,607	20,052
Prev. surplus	47,746	23,139	3,087
Carried forward ..	$68,203	$47,746	$23,139
Working Capital			
Current assets ...	$150,554	$207,894	
Current liabs. ...	83,683	35,965	
Excess curr. assets	$66.871	$171,929†	

*Before Federal income tax which in previous years was $1,550 in 1928 and $1,203 in 1927.

†After giving effect to financing when new company was formed.

Carling President Says Business Good

Denies Rumors of Merger Possibilities—No Offers Received—Sales Plans Outlined by President

From Our Own Correspondent

LONDON.—Charles Burns, president Carling Breweries, reports that Carling has been concentrating energies on Canadian markets since the curtailment of export.

"We are enjoying excellent business at the present time," he added.

Mr. Burns denies all rumors of negotiations looking toward merger. One of these rumors is that Brewing Corp. of Ontario desires control of Carlings and another that the Bass interests, of England, are trying to negotiate a deal with Carlings. Messrs. Low, Leon & Burns, now principal shareholders of Carlings, controlled the Bass agency across Canada prior to the enactment of the Ontario Liquor Control act, and a recent visit to London of a director of the well-known English concern led to the rumor that the English company desired some centrally located brewery to assist in the distribution of their wares across Canada.

Another rumor that National Breweries, in Montreal, desired to purchase the Montreal plant of Carlings is denied by Mr. Burns. The visit of Messrs. Low and Leon to Montreal recently, he said, had nothing to do with this.

Consol. Press Earned $115,000 In Six Months

Consolidated Press reports $115,000 earned in the first six months of 1930, after making all deductions for depreciation, debenture interest and taxes. This is equivalent to $2.30 a share on the 50,000 Class "A" no par value common shares on which the annual dividend is $2 a share. The total amount earned on the Class "A" shares in 1929 was $159,944, or $3.20 a share.

This is in line with the experience of most large printing, publishing and advertising businesses on this continent for the first six months of 1930. The daily newspapers have not fared so well as the publishers of weekly and monthly periodicals.

CANADIAN GYPSUM IS BUILDING MILL

The Canadian Gypsum Co., incorporated in 1907 with a Dominion charter to operate in the manufacture and sale of gypsum products, has broken ground at Hillsboro, N.B., for the first mill in a chain of modern gypsum plants to supply Canada from coast to coast. According to F. B. Gibbs, manager of Canadian sales, the company is prepared to invest several million dollars in the construction of gypsum and lime plants to manufacture a full line of patented products used in all types of building construction.

The new plant at Hillsboro is on tidewater where the company's four ocean-going vessels can load the finished products for export at Halifax. Large quantities will be shipped to eastern Canada and this exceptionally fine grade of pure white gypsum will displace the material imported from Belgium. The Hillsboro plant will also be operated in connection with the Canadian Gypsum Co.'s large gypsum properties and docks at Windsor and Digby, N.S., where a million tons are put into the company's boats annually, for mills in New York, Boston and Philadelphia.

Mr. Gibbs reports a growing demand for gypsum and lime products. While building activity is spotted with a few markets showing a loss this year, he is confident that the steady growth in Canadian industry and population in the next ten years will amply justify the extensive expenditures the Canadian Gypsum Co. are planning. In addition to plant expansions, the sales organization will be increased with the management and general sales offices located in Toronto.

YEAR'S REPORT OF ZIMMERKNIT TO SHOW LOSS

Has Passed Through Year Difficult for Woollen Industry

TO CONSERVE ASSETS

Preferred Dividends Cannot be Resumed Until Greater Demand Brightens Textile Situation

Zimmerknit's financial statement for the year ending April 30, 1930, soon to go forward to shareholders, will show reactions from a year which has been very difficult for all manufacturers of woollen goods. The preceding year had been bad enough, a loss having resulted from the interference in production caused by the fact that the company had made extra additions to plant and equipment and this entailed reorganizations and changes in the character of the business. As a consequence last year the directors decided to pass the preferred dividend until such time as the conservation of assets would no longer be necessary. The financial statement soon to go forward indicates that the time of resumption is indefinitely extended into the future.

Foreign Competition is Severe

Business conditions from which this company is suffering affects the whole industry. In the United States the woollen textile companies are on their back at present through over-productive capacity, slow consumptive demand, narrow profit margins and increasing competition from other dress.materals. Both in Canada and the United States prospects are a little brighter because of the firmer market position of raw wool but in the United States recent tariff increases were made in the hope of further bolstering the industry.

In Canada there would be no such excess of productive capacity as in the United States if it were not for the continual pressure of foreign supplies on the market. Ever since the war this industry has had a greater burden of competition in this way than any other well-established Canadian industry. At first the supplies came from England and Belgium where wages were about half what they are in Canada, and the situation was made more difficult in earlier years by depreciated exchange which gave the foreign manufacturers still greater advantages. The exchange situation has been remedied but still manufacturers claim that they should have more protection.

Textiles Compete

It is probable, however, that the business recession, and the fact that the whole textile group can now be considered as one unit, have a greater effect on the situation. Wool, silk, cotton, rayon, celanese and other kinds of artificial silk are all used to manufacture the same kinds of garments, and wool, which once had a predominating position, suffers accordingly. Prices of all textiles in Canada as well as in the United States have been dropping, and in the woollen industry there is no sure evidence that a return of business improvement will have an immediate effect for the better. The world's supply of wool has been growing steadily greater in recent years just as the supplies of wheat, silk, cotton, copper, sugar, coffee, barley and all the metals except gold have been growing too large. Heavy clips in every large growing area are expected and therefore the price situation is not apt to show improvement.

Canada Bud Breweries Up 50 Per Cent

Sales of Canada Bud Breweries for the first six months of 1930 are half as much again as in 1929, officials indicating that the increase in profits shows even a higher ratio. As the company is expected to expand its capacity still further in the near future, these reported results are of current interest to shareholders.

Officials of the company state that two-thirds of the company's annual business is usually done in the last half of the year, the sales for July and August usually equalling the sales for the entire six months from January 1 to June 30.

International Paper Fibre Plant Burned

From Our Own Correspondent

MONTREAL.—Fibreboard plant of the International Paper mills at Gatineau, P.Q., has been damaged by fire to the extent of $50,000. The building was a one-story construction of brick with a tarred roof, and contained a press for making fibre board, and was also used as a storehouse for surplus fibre stock. A kiln was also in operation in the plant, and it is believed to have ignited the fibre board piled beside it. The loss was covered by insurance.

Early this month International's Midland fibreboard plant was reopened, after being closed down for nearly two months. This action was made necessary by the pronounced demand for company's products. Part of this plant was destroyed by fire on March 17, 1929, but did not interfere with the resumption of operations.

NEW BUYING ABITIBI BONDS AT LOW PRICE

Favorable Yield of Well Protected Bond Draws Investors

POWER ISSUE SOON

Improvement in Valuation Paves Way For Hudson's Bay Issue at 5.55 Per Cent Return

Increasing activity in the purchase of Abitibi Power & Paper Co. first mortgage "A" 5's due 1953, draws attention to the fact that at current prices from 85 to 86, the yield on these bonds is 6.16 per cent, while at the original offering price of 94½ the return was only 5.40 per cent. As the public is now awaiting the announcement of guaranteed bonds to be issued by the company's subsidiary, Hudson's Bay Power Co., on a probable yield basis of about 5.55 per cent, the favorable investment offered by the old bonds has drawn interested attention from investors.

Marketed in 1928 to the full extent of $50,000,000, the obligations have sold at a substantial discount for most of the time since that period. Only last fall they moved between 85 and 81 after listing on the New York Stock Exchange, but this year with interest switching from common stocks to debt securities they moved up to as high as 88⅝ on March 20.

They are well protected by earnings. Last year the company's income account showed net earnings equivalent to 2.61 times interest charges, as compared with 2.01 times for the previous year. As of December 31, last, current assets amounted to $17,377,300, including cash of $1,216,000, receivables of $4,955,900 and inventories $11,205,400. Current liabilities were $4,784,044, or a ratio of 3.63 to 1. This compared with 2.40 to 1 for the preceding year.

Are Redeemable at 105

Abitibi first A 5s of 1953 are redeemable on any interest date at 105 to June 1, 1933; thereafter at 104 to June 1, 1938; thereafter at 103 to June 1, 1943; thereafter at 102 to June 1, 1948; thereafter at 101 to June 1, 1952, and subsequently at par to maturity. The 5s are authorized to the amount of $75,000,000. Additional bonds may be issued in series for refunding and for two-

(Continued on page 13)

Away with Worry!

Hang him on the Tallest Pine at Murray Bay

Come to the MANOIR RICHELIEU *and Forget Dull Care amid Glorious Surroundings . . .*

MOST of the hard times we speak of will probably never happen. If there is any vale of happy forgetfulness anywhere on this continent, surely it has been found by guests of the Manoir Richelieu at Murray Bay.

Go by sail, rail or motor. But go!—and soon. Sleep with windows wide to the stars and the fragrant breeze, compounded of salt from the sea and balsam from the forest, bringing you fresh life and vigor.

Golf on the famous upland course, overlooking an eighty mile trail of blue, on which move ships from the seven seas. Swim in the big outdoor pool. Gallop over paths through the pines. Play a few sets on the new *en-tout-cas* courts. Enjoy every sport at its best.

A broker's office in the hotel will keep you in touch with the market and a golf links high in the hills will make you forget it.

Make your reservations now. A little carefree holiday cannot do you any harm and it may do you a world of good. For full information, illustrated booklet, rates and reservations, apply—

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Canadian Government, Municipal and "Dollar for Dollar" Bonds
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The biggest value in drycleaning service on the continent.
Phone Midway 5432
Your Suit is BACK HOME in 24 Hours

The Weight Test Shows Gum-Dipped Cords are Stronger-Tougher

HERE is a test which easily proves the value of Gum-Dipping---the extra patented Firestone process of saturating and insulating every fibre of every cord in a Firestone tire with rubber to eliminate internal heat and friction---the greatest enemy to tire life.
A two-ounce weight is suspended on the end of one strand of a cord (a) taken from an ordinary tire. The strand breaks in 15 seconds. A similar weight is suspended on a Gum-Dipped strand (b) taken from a Firestone tire---it remains unbroken for 45 seconds---three times as long!
Let your nearest Firestone dealer equip your car with a set of these stronger, tougher, more dependable tires that hold the world's records for mileage and endurance. See him to-day.
FIRESTONE TIRE and RUBBER CO. OF CANADA LIMITED
Hamilton • Ontario
Firestone builds the only GUM-DIPPED TIRES

Montreal, Toronto & Curb Stocks

WEEK ENDING JULY 21

Range 1930 High	Range 1930 Low	Divd. Rate $	Yield in % July 19		Close July 14 (or last)	Week Ending July 21 High	Low	Close
42¼	22½	.	...	Abitibi, c.	25¾	27¼	25¾	27¼
110	108	7	6.79	Do. pref.	103	..	..	..
87	65	6	7.79	Do. pref.	75	77	75	77
14	8¼	.	...	Agnew Surp., c.	9	..	..	..
95½	93½	7	7.48	Do. pref.	93½	..	..	..
28	10	.	...	Alta. Pac. Grain	13	13	10	10½
91	85	7	8.23	Do. pref.	85	..	..	..
15	14	.	...	Amal. Elec.	15	..	..	..
39	36	3	8.33	Do. pref.	36	..	..	..
3¾	¾	.	...	Asbestos, c.	1	1	1	1
15	2	.	...	Do. pref.	4	..	..	..
48	38	.	...	Asch, c.	39	..	..	..
89	86½	7	7.95	Do. pref.	88	..	..	..
18	14	2	13.55	Assoc. Brew.	14¾	14¾	14¾	14¾
95	85	7	8.23	Do. pref.	85	..	..	..
18⅜	14	1.50	10.71	Assoc. Can.	14	14	14	14
8½	4½	.	...	Atlan. Sugar	4¾	4½	4½	4½
45	40	.	...	Do. pref.	43	..	..	..
175	170	10	5.86	Can. Nat.	172¾	170½	170	170½
325	290	12+2	4.72	Bk. of Montreal	292	296½	292	293
355	315	16	5.04	Bk. of N. Scotia	316	317	315	316
262	240	12+1	5.37	Bk. of Toronto	245	242	242	242
30	30	1.50	...	Barcelona Tr.	30	..	..	..
10½	8	.	...	Bathurst Pr.	9	10	10	10
4½	3	.	...	Do. (B)	3	3	3	3
26	26	50c	...	Bawlf Grain	26	..	..	..
83	79	6.50	8.22	Do. pref.	79	..	..	..
22½	15	1.60	9.41	Beath & Sons	17	..	..	..
33	22	2	8.16	Beatty Bros.	22½	24½	24	24½
92	85	6	6.81	Do. pref.	88	88	88	88
15½	9⅝	.	...	Beauharnois	10	10½	10	10½
130	123	7	5.60	Belding Cort.	125	..	..	..
110	98½	7	7.00	Do. pref.	100	..	..	..
101	90	7	7.65	Belgo C. P. pf.	92	91½	91½	91½
159½	145	8	5.32	Bell Telephone	150¼	151	149	150
10½	10½	.	...	Biltmore Hats	10½	..	..	..
85	85	7	8.23	Do. pref.	85	..	..	..
22	15	2	13.33	Bissell	16	15	15	15
97	88	7	7.95	Do. pref.	88	..	..	..
19	15	2	12.90	Blue Ribbon Cp.	16	17	15	15
58	32¼	3.25	9.84	Do. pref.	33¼	33	32¼	33
25	22	2.50	11.36	Brading Brew.	22	..	..	..
24	20	2	8.88	Brant. Cd., pf.	22	22½	21½	22½
55¼	35⅝	2+1a	4.93	Brazilian	40	40½	39	39½
2	1¼	.	...	Brew. & Distil.	2	..	..	..
23	15¾	80c	4.57	Brit. Amer. Oil	17⅛	17½	16⅞	17⅜
13¼	5	.	...	B.C. Packers	6¼	7	7	7
58	56	7	12.06	Do. pref.	57	58	58	58
45½	35	2	5.44	B. C. Power	37½	37½	36⅛	36¾
26½	15	.	...	Do. (B)	15	16	15½	15½
3⅝	1	.	...	B. E. Steel	2	1½	1½	1½
41	25	.	...	Do., 1st pref.	27½	25	25	25
8	3½	.	...	Do., 2nd. pref.	3¾	4	3¾	4
x20	20	25c	...	Brit. & For. Inv.	20	..	..	..
31½	22½	2	7.14	Brompton	29	28¼	27¾	28
26¾	17	1	5.71	Bruck Silk Mills	17½	17½	17	17½
29¾	20	2	9.30	Building Prod.	22	22	21½	21½
56	44¼	3+50	7.60	Burt, F. N.	45	46	45	46
198	150	6	4.00	Calgary Pr.	150	..	..	..
19½	11	75c	6.81	Can. Bread	11	11	11	11
120	112	7	6.91	Do. pref. (A)	113	..	..	..
106	95	7	7.14	Do. pref. (B)	95	99	96	98
12	8	1	8.69	Canada Bud	11	11½	11½	11½
19¼	12¾	.	...	Can. Cement	15	15	14	15
98	91¼	6.50	6.84	Do. pref.	93	95	93	93½
b75⅝	56	5	7.51	Canada Dry	64	68	64⅝	66½
20	16	1.50	...	Can. Forg. (A)	16	..	..	..
16	8	.	...	Do. (B)	16	..	..	..
68	40	3	4.61	Canada Iron	65	65	65	65
90	85	6	6.89	Do. pref.	87	..	..	..
6	6	.	...	Can. Machinery	6	..	..	..
30	30	.	...	Do. pref.	30	..	..	..
20⅝	15	1.50	8.82	Can. Malting	17	17⅜	16¾	17
21	16	60c	3.00	Can. Nor. Pr.	20	..	..	..
106	99	7	6.66	Do. pref.	104½	105½	105	105
20	3½	.	...	Can. Paving	4	4	3½	3½
94	68	7	10.29	Do. pref.	71	68	68	68
230	216	12	5.54	Can. Perman.	216	216½	216	216
19½	10¼	.	...	Can. Pr. & Pap.	14	14⅛	13	13¾
20	14	.	...	C. Pr. & P. Inv.	16	14	14	14
19	12	.	...	Can. Steam	12½	12	12	12
73⅝	38	6	14.10	Do. pref.	43¼	43½	42¼	42¾
26¼	18½	1.60	8.20	Can. Vinegar	19½	19½	19	19
82	74½	4	5.33	Can. W. Cable.	75	75¼	75	75
41	25	.	...	Do. (B)	31	31	26	31
39	25	.	...	Can. Bakeries	25	..	..	..
99	93¼	7	7.36	Do. pref.	95	95	95	95
275	240	12+1	5.22	Can. Bk. of Com.	242	249	242	246
11⅜	6¼	1	12.90	Can. Brewing	7¾	7	7	7
57	35	2.50	6.17	Can. Bronze	39½	40½	39¾	40
111	109½	7	6.26	Do. pref.	110	111¾	111¾	111¾
22¼	17¼	1	5.55	Can. Canners	17½	18	17½	17½
94	86	6	6.52	Do. 1st pref.	92¼	92	92	92
22½	18	1	5.55	Do. 2nd pref.	18¼	18½	18	18¼
32	16	1.75	8.33	Can. Car & Fdy.	20	21	20	20½
33	21½	1.75	6.48	Do. pref.	26	27	25¾	26
17	8½	.	...	Can. Celanese	8¾	8½	8½	8½
68¾	51	.	...	Do. pref.	59	60	60	60
76½	70	5	7.14	Can. Convert.	70	..	..	..
x110	108	.	...	Can. Cottons	108	..	..	..
83	65	6	9.23	Do. pref.	65	..	..	..
43	30	3	9.09	Can. Dredge	32	33½	32½	33
x260	162	7	...	Do. pref.	162	..	..	..
88½	80	6	7.18	Can. Fairb., pf.	83⅝	..	..	..
20	20	.	...	Can. For. Inv.	20	20	20	20
90	90	8	8.88	Do. pref.	90	..	..	..
420	260	3	0.92	Can. Gen. Elec.	325	..	..	..
65½	58	3.50	5.60	Do. pref.	61⅝	63	61¾	62½
80	75	3	4.00	Can. Gen. Inv.	75	..	..	..
92½	81	6	6.89	Can. Hyd. E. p.	87	..	..	..
8½	5	.	...	Can. Ind. Alc.	5½	5⅝	5	5½
11¼	4	.	...	Do. (B)	5⅛	..	..	..
8½	5	.	...	Can. Int. I. Tr.	6	..	..	..
82	76½	5	6.41	Do. pref.	76½	78	78	78
40½	31	.	...	Can. Lt. & Pr.	32	..	..	..
25	25	.	...	Can. Locomo.	25	..	..	..
76	25	.	...	Do. pref.	30	..	..	..
9¼	3	.	...	Can. Marconi	4⅞	5⅛	4⅝	4⅝
34½	20	1	4.16	Can. Oil	24	25	22	25
123	115¼	8	6.66	Do. pref.	120	120	120	120
230	184	10	5.31	Can. Pacific	187	188½	186	188½
58	46	.	...	Do., new	48	47¾	47	47½
10	2½	.	...	Can. Vickers	3	4	4	4
45	41½	.	...	Do. pref.	41½	..	..	..
6¾	3⅞	50c	12.50	Can. Wineries	4	4	4	4
18	15½	1.50	8.82	Can. Wire Box.	16	17	16	16
6⅝	2¾	.	...	Carling Brew.	3	3	3	3
27	22	2	8.69	Catelli Mac. A.	23	..	..	..
10	9	.	...	Do. (B)	10	..	..	..
330	324	12+3	4.59	Cent. Can. Loan	327	..	..	..
9.00	4.30	.	...	Chem. Research	5.30	5.25	5.00	5.20
65½	46	2	3.33	City Dairy	58½	60	58	58½
155	120	7	5.83	Do. pref.	120	..	..	..
25	12	1.50	10.00	Cockshutt	15⅛	15½	12	15
2	2	.	...	Col. Invest.	2	..	..	..
6	2	.	...	Comm. Alco.	3	..	..	..
18	15	1	6.66	Conduits	15	..	..	..
106	104	7	6.73	Do. pref.	104	..	..	..
26	10½	1	8.00	Cons. Bakeries	12¼	12½	12	12
4	1	.	...	Cons. Food Prod.	1¼	..	..	..
10	10	.	...	Do. pref. (A)	10	..	..	..
34	25	2	6.06	Cons. Press	33	..	..	..
87	82	7	8.53	Cons. Sand, pf.	82	..	..	..
280	175	12.50	6.21	Cons. Smelters	200	205	198	201
183½	175	10	5.54	Consumers Gas	179	180¼	179	180¼
x45	20⅛	.	...	Cooksville Co.	40	..	..	..
85	85	4	4.70	Do. pref.	85	..	..	..
90	90	7	7.77	Corr. P. Box, p.	90	..	..	..
1⅞	1	.	...	Cosgrave Br.	1	..	..	..
21½	10	.	...	Cosmos	11	..	..	..
97½	93	7	7.52	Do. pref.	95	93	93	93
11	4¾	.	...	Crown Dom. Oil	7	7	6¾	7
46	29	6	20.69	Crow's N. Coal	29	..	..	..
1⅜	¾	.	...	Cuban Sugar	1	..	..	..
3½	2	.	...	Do. pref.	2	..	..	..
4	1	.	...	Curtiss-Reid	1¼	1¼	1¼	1¼
8	5	.	...	Do. pref.	6½	..	..	..
11	5	.	...	David & Frere B	5	5	5	5
12⅛	8	80c	8.00	De Forest	10	10	9½	9½
16	12	25c	...	De Havilland	12	..	..	..
x90	87	7	...	Do. pref.	90	..	..	..
.50	.50	.	...	Detroit Rly.	.50	..	..	..
15	14	.	...	Disher Steel	15	15	15	15
18	17½	1.50	8.57	Do. pref.	18	17½	17½	17½
12¼	8	1	10.25	Distill-Seagram	9½	9¾	9⅝	9½
243	225	12+1	5.76	Dominion Bank	225	225½	225	225
83	44½	3.60	6.27	Dom. Bridge	51½	57⅞	51¾	53½
70	50	.	...	Dom. Coal	50	55	54	55
82	49	4	7.01	Dom. Engineer.	57	57	57	57
14	10	.	...	Dom. Foundries	10	..	..	..
90¼	76	1.50	...	Do. pref.	90¼	..	..	..
141	100	7	6.51	Dom. Glass	108	107½	107½	107½
122	115¼	7	5.83	Do. pref.	120	..	..	..
36½	20	.	...	Dom. Iron, pf.	30½	..	..	..
52	40	.	...	Dom. Park	40	..	..	..
74	38	.	...	Dom. Power	65	65	65	65
103	94	.	...	Do. pref.	99	100	100	100
x100	95	7	7.29	Dom. Rub., pf.	96	..	..	..
52¼	30¾	.	...	Dom. Steel, pf.	30¾	..	..	..
14	7¾	.	...	Dom. St. & C.B.	8	8	7¾	8
30¼	18	1.20+4a	6.00	Dom. Stores	21	21	19½	20
28	13	.	...	Dom. Tar & Ch.	13	14½	13	13
97	88⅜	6.50	6.91	Do. pref.	91	94	91	94
80	60½	5	7.14	Dom. Textile	65	69⅞	65	69½
120	115	7	5.93	Do. pref.	118	..	..	..
27⅛	18	.	...	Donnacona	18	..	..	..
19	6	.	...	Dryden Paper	10	10	9	9
25	15	.	...	Duff. Paving	19	..	..	..
99	84	7	8.33	Do. pref.	84	..	..	..
10	4	40c	8.88	Durant	4½	4¾	4½	4¾
29	19	.	...	East Dairies	19	..	..	..
35	29	2.50†	...	East Steel	30	30	30	30
100	97	7	7.14	Do. pref.	98	..	..	..
25	22½	.	...	East Koot.	23	23	23	23
96	86	7	7.29	Do. pref.	96	..	..	..
34	29	2	6.55	East Theatres	30½	..	..	..
85	80	7	8.58	Do. pref.	85	81½	81½	81½
10	7	.	...	Easy Washer	8½	7½	7½	7½
55	45	2.50	5.55	Economic Inv.	45	..	..	..
19	17	1	5.88	Edmonton Dairy	17	..	..	..
90	86	6.50	7.55	Do. pref.	86	86	86	86
31	16	1	6.25	Enamel & Heat.	16	..	..	..
43	37	3	7.89	Eng. Elec.	38	..	..	..
28	20	.	...	Do. (B)	20	20	20	20
63¾	39¼	2	4.54	Fam. Players	43	44	44	44
61¾	37	2	4.87	Do. Vot. Trust	41	..	..	..
21½	15	1	6.66	Fanny Farmer	15	..	..	..
32¼	29	2.40	8.17	Do. pref.	29	..	..	..
100	97	7	7.14	Farm. Dairy, pf.	99	98	98	98
.25	.10	.	...	Federal Distil.	.25	..	..	..
31½	31	.	...	Feldspar Glass	31½	..	..	..
83½	75	7	9.33	Firstbrook Box.	75	..	..	..
38½	28	1.50	...	Ford Motors A.	31	33½	31½	32⅝
37	25	1	3.84	For. Pr. Secs.	25	26	25	26
16½	12	1	8.33	Foundation Co.	12	12	12	12
17½	7¾	.	...	Fraser Cos.	8	8¼	8	8
15⅜	13	.	...	Frost Steel	14	..	..	..
97½	93¼	7	7.25	Do. pref.	96½	..	..	..
21¼	7	.	...	Gen. St. Wares.	7½	8	7¼	8
17	17	1.40	...	Goderich Elev.	17	..	..	..
180	120	5+5	8.28	Goodyear	125	130	120	125
109	105	7	6.60	Do. pref.	106½	106	106	106
5	1	.	...	Gt. W. Saddlery	1½	1	1	1
15	15	.	...	Do. pref.	15	..	..	..
41	25	2	6.25	Gurd, Chas.	32	32	31	31½
110	110	7	6.36	Do. pref.	110	..	..	..
26	18	1.50	7.50	Gypsum Lime	18¾	20	19	19¾
38¾	19½	2	8.16	Ham. Bridge	20⅝	25	20½	24
90	84	6.50	7.55	Do. pref.	86	86	85	86
25	23	2	8.69	Ham. Cot., pf.	23	..	..	..
11	5	.	...	Ham. Un. Theat.	5½	..	..	..
82	64	7	9.21	Do. pref.	75	..	..	..
31	14¾	1	...	Hayes Wheel	15	..	..	..
95	90	7	7.52	Do. pref.	93	..	..	..
50	50	6	12.00	Hillcrest Coll.	50	..	..	..
91	91	7	7.69	Do. pref.	91	..	..	..
17	5	.	...	Hinde & Dauch	6	..	..	..
120	120	3	2.50	Holt Renfrew	120	..	..	..
96¼	93	7	7.44	Do. pref.	94	..	..	..
13	6	.	...	Honey Dew	7	6¼	6	6
64	55¾	7	12.55	Do. pref.	58	55⅝	55⅝	55⅝
x21	16⅛	.	...	Howe Lumber	19	..	..	..
25	20	2	9.75	Humberstone	20¼	..	..	..
28	20	1+50	7.31	Hunt (A)	20½	20½	20½	20½
30	20	1+50	6.59	Do. (B)	22¾	..	..	..
157	150	8	5.33	Huron & Erie M.	150	150	150	150
31	29	.	...	Do. 20% paid.	29½	..	..	..
55	37	2	5.06	Hydro Electric	37	39¾	39½	39½
245	226	12+1	5.48	Imperial Bank	237	..	..	..
29¾	18	50c	2.43	Imperial Oil	20¾	21	20¼	20¼
10½	9	35+10	4.61	Imperial Tob.	9½	10	9¼	9½
53¾	35	1/50a	...	Int. Hyd. E. A.	36	39½	38½	39¼
105	100	7	6.93	Inter. Mill., pf.	100	..	..	..
90	88	6	6.66	Do. Series A.	88	..	..	..
44½	20¼	1	4.08	Inter. Nickel	24½	26⅞	24	24½
.40	.24	.	...	Do. Rights	.30	.36	.29	.33
17½	12	1.50	10.00	Inter. Paints A.	15	..	..	..
31	26⅞	2.40	8.57	Int. Pap & Pr.	26⅞	..	..	..
20⅛	18½	.	...	Do. (B)	20½	..	..	..
16⅞	14½	.	...	Do. (C)	14½	..	..	..
83	82½	7	8.45	Do. pref.	82¾	..	..	..
24	17⅝	1	5.19	Inter. Pete.	18⅜	19¼	18¾	19
18	12	.	...	Inter. Power	14	13½	12½	12½
91	79	7	8.33	Do. pref.	85	84	84	84
51	34¾	3.50	8.33	Int. Util. (A)	41½	43	42	42
19	7	.	...	Do. (B)	15	..	..	..
43	33	.	...	Jam. Pub. Ser.	40	..	..	..
110	108	7	6.36	Do. pref.	110	110	110	110
11	4	.	...	Kelvinator	5	5⅛	5	5
83½	73	7	8.43	Do. pref.	83	..	..	..
x17	15	.	...	Kemsley Mil.	..	..	..	..
40	40	.	...	King Ed. Hotel	40	..	..	..
1½	¾	.	...	Lake Ont. Brew.	1	..	..	..
47	35	3.20	8.42	Lake of Woods.	36	38¼	36	38
122	115	7	5.83	Do. pref.	115	120	115	120
15	7¾	.	...	Lake Sup. Corp.	9½	11	9½	11
185	180	10	5.40	Landed Banking	185	..	..	..
48	38	3	7.54	Laura Secord	41	40	39½	39½
27	15⅛	1	6.25	Lindsay, C. W.	18½	16	15⅛	16
85	78	6.50	8.12	Do. pref.	78	80	80	80
15¾	11	80c	6.15	Loblaw (A)	12½	13½	12¾	13½
15⅛	11	80c	6.66	Do. (B)	12	12½	12	12½
45	35	.	...	Loew's, Marcus	35	..	..	..
84	75	.	...	Do. pref.	75	..	..	..
2¾	2¾	.	...	Loews, London	2¾	..	..	..
40	40	.	...	MacKin. Steel	40	..	..	..
96¼	90	7	7.77	Do. pref.	90	..	..	..
36	36	2	...	Manitoba Pr.	36	..	..	..
15	13	.	...	Maple Leaf	15	..	..	..
106⅛	91¾	7	7.60	Do. pref.	94	94	91¾	92
80	80	6	7.50	Do. (B)	80	..	..	..
45	24¾	3	11.53	Massey-Harris	26	26¼	26	26
28¾	16	60c	3.00	McColl Fron.	19	20¼	18⅞	19
88	78½	6	7.14	Do. pref.	84	..	..	..
80	70	.	...	Mexican L. & P.	71½	..	..	..
25	25	.	...	Mercury Mills	25	..	..	..
89	70	6	8.57	Do. pref.	70	..	..	..
41	40	.	...	Mitchell, J. S.	40	..	..	..
104	104	7	6.73	Do. pref.	104	..	..	..
33	20	1	5.00	Mitchell, Robt.	20¼	..	..	..
x20	20	.	...	Monarch Knit	20	..	..	..
65	58	7	11.66	Do. pref.	60	..	..	..
134	103	6	5.82	Montreal Cot.	103	..	..	..
117	97	7	7.21	Do. pref.	99¾	97	97	97
9	3	.	...	Montreal Ex.	7	..	..	..
39	35	.	...	Mont. Is. Pr.	35	..	..	..
77	52½	1.50	2.50	Mont. L. & P.	58¼	60	58	58
50	48	3+25	6.77	Montreal Loan	48	..	..	..
55	48	3.20	6.15	Montreal Tele.	52	..	..	..
175½	167	10	5.74	Mont. Trams.	175	174	174	174
28½	20½	1	4.54	Moore Corp., c.	21½	22	22	22
126	103	7	6.60	Do. (A)	104	107	103	107
170	125	7	5.38	Do. (B)	126	130	130	130
5.37½	5.00	.	...	Mtge. Dis. pf.	5.00	..	..	..
10	10	.	...	Mt. Royal Hotel	10	..	..	..
49	49	.	...	Do. pref.	49	..	..	..
4	2½	10c	...	Muirheads	2½	..	..	..
8¾	8½	75c	...	Do. pref.	8¾	..	..	..
x9	.60	.	...	Municipal Ser.	.60	..	..	..
35½	26½	1.60	5.06	Nat. Brew.	30⅝	31⅛	30	30¼
32	25	1.75	5.83	Do. pref.	29	30	29	30
10	4	.	...	Nat. Brick	4	4	4	4
29½	25	3	12.00	Do. pref.	25	..	..	..
5	1	.	...	Nat. Distilleries	1	..	..	..
105	100	8	7.76	Nat. Groc., pf.	105	103	103	103
76⅛	44	2	4.00	Nat. Steel Car.	45	50	46	49
380	340	14	3.89	National Trust	375	360	360	360
21	19	1.50	7.89	Niag. W. Weav.	19	..	..	..
45	41¼	3	7.27	Do. pref.	41¼	..	..	..
90	89¾	2	2.22	Nor. Mex. Pr.	90	..	..	..
90	81½	7	8.43	Do. pref.	83	..	..	..
16.00	7.50	.	...	North Star Oil	7.50	..	..	..
5.00	4.90	35c	7.00	Do. pref.	4.90	5.00	4.95	5.00
25	22¼	.	...	N.S. Steel, pref.	22¼	..	..	..
450	325	8	2.42	Ogilvie	335	330	330	336
130	124½	7	5.60	Do. pref.	125	..	..	..
40	27	6	2.03	Ont. Eq. 10% p	27½	29½	29	29½
130	118	6	4.87	Ontario Loan	123	..	..	..
22	16	.	...	Ont. Silknit	16	16	16	16
22	18	1.60	8.00	Ont. Steel	20	..	..	..
x108	105	7	...	Do. pref.	107	..	..	..
3	1	.	...	Orange Crush	2¾	2¾	2½	2½
66	45	7	11.66	Do. (A)	60	..	..	..
15	7⅞	.	...	Do. (B)	9	9	8⅞	8⅞
100½	87	6	6.00	Ott. L. H. & Pr.	100	100	100	100
105	100	6.50	6.19	Do. pref.	105	..	..	..
34	30	.	...	Ott. Traction	30	30	30	30
105	81½	5	5.46	Page Hersey	89	92	89	90
x264	250	7	...	Do. pref.	264	..	..	..
70	52	4	6.66	Paramount	55	60¼	60	60
50	50	.	...	Paton Mfg.	50	..	..	..
95	95	.	...	Do. pref.	95	..	..	..
3	1	.	...	Pelissiers	1½	..	..	..
68¾	60	7	11.66	Do. pref.	60	..	..	..
77	58¾	4	6.78	Penmans	58¾	..	..	..
102	99¾	6	5.94	Do. pref.	101	..	..	..
2¼	1	.	...	Perfection Glass	1	1	1	1
28½	20	2	9.09	Photo Eng.	21	22	22	22
91	80	7	8.75	Port Alfred, pf.	80	..	..	..
x67	67	2½	...	Porto Rico Rly.	67	..	..	..
92	84	7	8.33	Do. pref.	84	..	..	..
101	100⅞	7	6.93	Postal Tele.	100⅞	..	..	..
90	64½	1	1.42	Power Corp.	69	70¼	68	68
101⅞	93	6	5.91	Do. pref.	100⅛	101½	101	101½
14	7	1	11.76	Prairie C. Oil.	9½	8½	8½	8½
24	14½	1	6.66	Pressed Metals	15¾	15	15	15
84	60½	2	3.22	Price Bros.	62½	68	62	62
107¼	99	6.50	6.31	Do. pref.	105	103	102	103
16¼	16¼	90c	...	Pub. Util. Inv.	16¼	..	..	..
70½	52	2.50	4.31	Quebec Power	55½	58	55	58
112	110	7	6.36	Real Estate Ln.	110	..	..	..
6	2	.	...	Regent Knit	4	..	..	..
20	5	.	...	Reliance Grain	6½	..	..	..
25	19	2	10.52	R. S. Mills	19	..	..	..
26	20⅝	1.50	7.27	Robinson Cone	20⅝	..	..	..
x72	61	4	...	Rogers, Wm.	72	..	..	..
x100	92	7	...	Do. pref.	99	..	..	..
315	290	12+2	4.77	Royal Bank	290	293	290	290
96	91¾	7	7.52	Ruddy, E. L., p.	93	..	..	..
96	90	5+1	6.66	Russell Motor	90	..	..	..
100½	96	7	7.00	Do. pref.	100	..	..	..
24½	20	2	10.00	Sarnia Br. (A)	20	..	..	..
12	5	25c	...	Do. (B)	6	..	..	..
54	34½	2.60	6.11	Serv. Stn. Eq.	41⅜	42½	40	42½
115	99	6	6.06	Do. pref.	101	99	99	99
82½	61	2.50	3.57	Shawinigan	68	70	68	69½
39	29	1.80	4.80	Sher.-Wms.	36	37½	36½	37½
122	116	7	5.88	Do. pref.	119	..	..	..
44½	30	2.50	7.81	Simon & S.	32	..	..	..
102	97	7	7.00	Do. pref.	100	..	..	..
95½	89	6½	6.98	Simpson, Ltd.	93	93	92	93
55	50	2	4.00	Do. (A)	50	..	..	..
37½	33	.	...	Do. (B)	34	33¾	33½	33½
108	100	6	5.67	Simpson, R. pf.	105½	105¾	105¾	105¾
22	8	.	...	Smith Paper	8	9½	9	9½
84	80	6	7.31	Do. pref.	82	..	..	..
8¾	8¾	.	...	St. Law. Corp.	..	8¾	8¾	8¾
38	20	.	...	St. Law. Flour.	27½	20	20	20
87	86	7	8.14	Do. pref.	86	..	..	..
13	6½	.	...	St. Law. Paper.	9⅞	10	8¾	8¾
72	60	6	8.88	Do. pref.	69	68¾	66½	67½
91	80	7	8.43	St. Maur. V. pf.	82½	..	..	..
37½	24	1	3.33	So. Can. Pr.	29	30	29	29¾
106½	103½	6	5.70	Do. pref.	105⅛	105½	105⅛	105⅛
14	14	.	...	Sprucolite	14	..	..	..
26½	15	2	10.00	St. Pav. & Mat.	16	21¾	17	20½
95	84	7	8.33	Do. pref.	84	..	..	..
3	3	.	...	Stanfords	3	..	..	..
x87	73	7	...	Do. pref.	83	..	..	..
34	15	2+1	...	Stand. Chem.	15	..	..	..
15½	7¼	.	...	Stand. Steel	7½	7½	7¼	7¼
42½	37	3	7.89	Do. pref.	38	..	..	..
50	39⅞	1.75	3.97	Steel of Can.	42	44	42	43
41½	36	1.75	4.60	Do. pref.	36	39	37	38
15	3½	.	...	Sterling Coal	6½	..	..	..
43½	24	80+20	2.70	Super. Pet. Ord.	34	37	34	36
101	95	7	6.93	Do. pref.	100	101	101	101
45	24	80+20	3.03	Do. com.	33	..	..	..
65	50	.	...	Tamblyn	51	51	50	51
102	98	7	7.07	Do. pref.	100½	99	99	99
40	35	3.50	10.00	Thayers, pref.	35	..	..	..
39	30	.	...	Tip Top Tailors	35	35	34½	34½
108	100¼	7	6.69	Do. pref.	103½	104½	103	103
30	27	.	...	Tooke Bros.	27	..	..	..
80	77	7	8.75	Do. pref.	80	..	..	..
21	17	.	...	Tor. Elevators	17	..	..	..
255	220	12	5.33	Tor. Gen. Trusts	220	225	225	225
125	109	6	5.45	Toronto Mtge.	110	..	..	..
4	1	.	...	Traymore	3	..	..	..
12	9	1.40	...	Do. pref.	11½	..	..	..
295	180	4+2	2.06	Tuckett Tob.	290	..	..	..
125	113	7	6.08	Do. pref.	120	115	115	115
32½	10	2 (scrip)	..	Twin City	10½	10	10	10
x96½	96½	7	7.25	Do. pref.	96½	..	..	..
30½	25	1.65	5.50	Union N. Gas.	26½	30	26½	29
130	122	7+1	6.15	Union Trust	130	..	..	..
20	13½	.	...	United Fuel	17	18	18	18
80	73	6	7.59	Do. pref.	79	79	79	79
66½	48	.	...	United Secs.	65½	66	66	66
9½	1	.	...	Vacuum Gas	6	7	5	5
15	8	.	...	Viau Biscuit	8	9	9	9
85	81	7	8.64	Do. pref.	81	..	..	..
x58	38	.	...	Wabasso	38	..	..	..
13⅜	8	1	10.52	Walker-Good.	9⅛	9½	8⅞	9
16½	12½	1	7.14	Waterloo Mfg.	13	14	14	14
44½	18	1	2.94	Weston	33½	34	33	34
91½	89	7	7.69	Do. pref.	91	..	..	..
25	17	1.40	8.00	West. C. Flour.	18	17½	17½	17½
104	100	6.50	6.37	Do. pref.	102	..	..	..
23	17½	.	...	West. Grocers	17½	..	..	..
68	58	7	12.06	Do. pref.	1	58	58	58

Montreal, Toronto and Curb Stocks

Range 1930 High	Range 1930 Low	Divd. Rate $	Yield in % July 19		Close July 14 (or last)	Week Ending July 21 High	Low	Close
41	25	50c	...	West. St. Prod.	25	..	..	..
96½	90	6.50	6.91	Do. pref.	94	..	..	..
9	9	.	...	Whittall Can.	9	..	..	..
9¾	7½	.	...	Wm. Alloy Prod.	7½	..	..	..
25	20	.	...	Windsor Hotel	20	20	20	20
82½	79	6.50	8.22	Do. pref.	79	..	..	..
54	38	2	4.93	Winnipeg Elec.	39½	40½	39½	40½
103	98¼	7	7.00	Do. pref.	101	101	100	100
x30	30	.	...	Woods Mfg.	30	..	..	..
74	74	7	9.45	Do. pref.	74	..	..	..
85	81	[illegible]	8.64	Wood, A&J, 1pf.	81	..	..	..
2⅛	1½	.	...	Zimmerknit	1¾	1¾	1¾	1¾
25	4	.	...	Do. pref.	10	..	..	..

x Quotation for 1929. No sales recorded in 1930 to date.
† $1 each for 1928 and 1929 and 50c interim. a. Stock dividend
b. New York quotations.

Unlisted Canadian Securities

(Furnished by A. J. Pattison, Jr. & Co. Ltd.)
July 22, 1930

Industrial Stocks	Bid	Ask
Allens Beach pfd.	47.50	....
Allens Kings. pfd.	48.00	....
Allens London pfd.	48.00	....
Border Cities Hotel pfd.	....	17.00
Brand. Hend. com.	28.00	....
Brand. Hend. pfd.	86.50	91.00
B.C. Pack. pfd.	58.00	....
B.C. Pulp & Paper, com.	3.50	6.50
B.C. Pulp & Paper, pfd.	67.00	71.00
Burns Pfd. Bonus, 25% com.	....	75.50
Canada Biscuit pfd.	20.00	27.00
Canada Crushed Stone pfd.	69.00	....
Canada Mach. com.	6.00	9.00
Canada Mach. pfd.	32.00	....
Canada Packers c.	31.50	....
Canada Packers, 7% pfd.	98.00	100.00
Can. Wire & Cable pfd. W.W.	100.50	....
Can. Indust. c. "A"	125.00	150.00
Can. Indust. c. "B"	125.00	150.00
Can. Indust. pfd.	116.00	122.00
Can. Invest. com.	14.00	17.00
Can. West. Nat. L.H. & P. pfd.	91.00	....
Can. Westinghouse	86.00	92.00
Chase, A. W., pfd.	47.50	52.00
Chase, A. W., com.	.40	....
Clifton Co. Ltd.	120.00	150.00
Copeland Flour pfd.	13.00	....
Dom. Alloy pfd.	1.00	2.00
Dom. Alloy com.	....	.50
Dom. Mfg. pfd.	76.00	....
Dom. Mfg. com.	7.00	....
Dom. Sugar com.	18.00	23.00
Dom. Woollens c.	....	7.00
Dunlop Tire 7% pd.	101.00	....
Durant Acceptance	13.50	15.00
Eastern Car pfd.	....	75.00
Gen. Steel Wares, 7% pfd.	....	81.00
Goderich Elevator.	15.00	17.00
Greening Wire 7% pfd.	97.00	....
Guardian Realty pf.	54.00	....
Harding carp. c.	....	7.00
Harding Carp. pfd.	....	67.00
Inter. Proprie. "A"	30.50	34.00
Inter-City Bak. c.	70.00	....
King Edward Htl. "A" 8%	50.00	55.00
King Edward Htl. "B" 8%	45.00	....
Kingston Ship Bldg., pfd.	15.00	20.00
Kingston Ship Bldg., com.	6.50	9.00
Lake St. John c.	....	9.00
Loew's Lond. com.	1.00	2.00
Loew's Lond. pfd.	3.00	5.00
Mansfield com.	50.00	....
Mansfield pfd.	60.00	....
Massey Harris pfd.	77.00	....
Milton Brick pfd.	20.00	27.00
Nat. Grocers com.	1.40	....
Nat. Grocers, 2nd. pfd.	37.00	42.00
N.B. Pow., 1st. pd.	56.00	....
N. Ont. Power pfd.	84.00	....
N.S. Power pfd.	89.00	....
Para. Kitchener pf.	30.00	....
Para. Oshawa pfd.	40.00	....
Provincial Paper pf.	91.00	96.00
Rogers Majestic	13.50	16.50
Stand. Clay Prod. c.	32.00	....
Supertest "B" pfd.	14.00	18.00
Stand. Fuel Pfd. bonus	83.00	89.00
Toronto Ball Club.	....	61.00
Toronto Brick pfd.	68.00	....
Toronto Carpet pfd.	100.50	105.00
Toronto Carpet c.	120.00	....
Willards Choc. pfd.	68.00	73.00
Willards Choc. c.	6.00	....
Trust & Loan Stocks:		
Brit. Mtge. & Trust.	210.00	235.00
Capital Trust	72.50	....
Chartered Trust & Executor	102.00	108.00
Commercial Fin. c.	10.25	....
Commercial Fin. pf.	65.00	....
Deb. & Sec. pfd.	65.00	71.00
Deb. & Sec. com.	88.00	....
Guelph Inv. par $50	61.00	68.00
Lambton Loan & Savings	76.00	....
London & West. Trust	175.00	....
Midland L. & S.	17.00	....
Mtge. Discount pfd.	4.75	5.50
Mtge. Discount c.	.40	....
Mutual. Finance c.	5.75	7.75
Mutual Finance pf.	5.75	7.75
Peoples L. & S.	86.00	....
Premier Trust	86.00	....
Security L. & S.	115.00	130.00
Sherbrooke Trust	115.00	....
Sterling Trust	....	93.00
Trusts & Guarantee	91.50	96.00
Waterloo Trust & Savings	125.00	....
Insurance Stocks:		
Br. American Assce.	60.00	....
Can. Fire Ins.	85.00	95.00
Can. Nat. Fire	26.50	32.00
Canada Life	700.00	775.00
Capital Life	....	28.00
Confed. Life, 20% pd.	305.00	....
Cont. Life, 20% pd.	76.00	82.00
Crown Life	375.00	425.00
Dominion Fire	117.00	130.00
Dom. Can. Gen. Ins.	250.00	300.00
Dom. Life, 50% pd.	390.00	450.00
Excelsior Life, 30% pd.	115.00	128.00
Fed. Fire. 25% pd.	40.00	....
Fidelity Ins. of Canada	135.00	155.00
Great West Life	600.00	690.00
Guar. Co. of N.A.	270.00	....
Halifax Fire	20.00	25.00
Imperial Life	400.00	450.00
Merchants Cas.	....	23.00
Mfg. Life	390.00	415.00
Monarch Life, 10% pd.	37.50	42.50
N. American Life	80.00	95.00
Nat. Life 25% pd.	100.00	114.00
Sask. Life	20.00	....
Sovereign Life	48.00	52.00
Sun Life	2125.00	2350.00
Toronto Casualty	6.00	....
Western Assurance	54.00	57.00
Western Life	15.50	....

Recent London Quotations

Brewer Distillers	4s. 9d.
Brit. Can. & Gen. Inv.	23
Br. Contr. Oilfields	3s. 7½d.
Can. & For. Sec.	11s. 3d.
Can. West. Lumber	3s. 9d.
Hudson's Bay	65s.
Do., 5% pfd.	101s. 3d.
International Holding.	4 15/16
Wall Paper Mfg.	30s. 4½d.
Pref. 5%	17s. 4½d.

The Canadian General Securities furnish the following quotations:

	Bid	Ask
Can. Gen. Inv. Trust	82	86
Traders Fin. "A" pfd.	96	100
Traders Finance "B".	97	101
Traders Finance, com.	21	30

Listed Bond Quotations

Week Ending July 21

Montreal	Int. Rate	Due	Latest Yield	Ask	High	Low	Range, 1930 High	Low
Abitibi, 1st Mtge.	5	1953	6.19	...	...	...	88½	83
Asbestos	5	1942	4.45	105	...	...	105	99½
Asbestos, 1st mtge.	6	1941	...	62	52	...	81	50
Do., gen. mtge.	6	1956	...	...	25	...	41	25
Calgary Power	5	1940	...	†103	...	...	x97	94
Can. Cons. Rub.	6	1946	5.75	104	...	...	102⅝	102¼
Can. Cottons	5	1940	...	93	...	...	x98	94
Can. Forgings	6	1942	...	...	...	...	...	...
Can. Locomotive	6	1951	6.34	98	...	...	x100½	97
Can. Pr. (Laur. ser.)	5½	1958	8.98	65	64⅝	63¾	75½	63
Do., Way. ser.)	5½	1958	8.91	64½	64⅝	64	74½	64
Can. S.S. deb.	5	1943	5.65	...	...	...	98¼	94
Cedar Rapids	5	1953	4.96	†100¾	...	...	100⅛	99⅝
Dom. Canners	6	1940	...	†102½	...	...	x104	...
Dom. Coal	5	1940	5.35	†97	97¼	...	97¼	95⅞
McNish	6	1948	...	†3.05	3.00	...	3.55	2.99
Mex. Elec.	5	1942	...	...	...	...	x74	...
Mex. L. & P.	5	1940	...	...	...	...	x75¾	71½
Mont. L. H. & Pr.	4½	1932	5.03	†98¾	...	...	98⅝	...
Mont. Tr. 1st mtge.	5	1941	5.00	99⅜	...	...	100	96
Mont. Tr. "A"	5	1955	5.38	95¼	...	...	96½	91
Mont. Tr. G.&R. 'B'	5	1955	5.46	95¼	94¾	94	95	91½
Do., "C"	4½	1955	5.42	87	...	...	89	85¼
Do., "D"	5	1955	5.25	95¼	...	...	96½	...
N. S. Steel	5	1959	7.45	...	...	...	71	69¾
Ogilvie Flour "A"	6	1932	6.00	†100¼	...	...	100	...
Do., "B"	6	1932	6.00	†100¼	...	...	101	100
Do., "C"	6	1932	4.41	†100¼	...	...	103	100
Ont. Steel	6	1943	...	†105	...	...	x106	104
Porto R. Rly.	5	1936	...	†83	...	...	82	...
Steel of Can.	6	1940	5.22	108¼	...	...	108	105
Wabasso	6	1947	...	97½	...	...	x101	...
Wayagamack	6	1951	6.46	95	...	...	98	95
West. K. Power	6	1940	...	...	...	...	x106	104¾
Wpg. Elec.	5	1935	...	†98	...	...	x94⅝	93
Toronto								
Canada Bread	6	1941	5.87	...	...	...	103¼	101
Can. Canners	6	1950	...	...	...	...	x102¼	100
Dom. Canners	6	1940	...	...	...	...	...	...
Porto R. Rly.	5	1936	...	...	...	...	...	...
Postal Tel.	5	1953	...	...	...	...	95	88¾
Steel of Can.	6	1940	...	...	...	...	x93	...

† Latest bid.
x Quotations for 1929. None recorded in 1930 to date.

Dominion Govt. Bonds (Montreal)

	Int. Rate	Due	Latest Yield	Ask	High	Low	Range, 1930 High	Low
War Loan	5	1931	4.58	100.80	100.35	.....	100.50	99.70
Do.	5	1937	4.41	104.10	103.80	103.30	103.80	100.90
Victory Loan	5½	1933	4.70	102.15	102.50	102.10	102.75	101.35
Do.	5½	1934	4.97	102.30	101.90	101.55	102.35	101.05
Do.	5½	1937	4.49	107.15	106.60	.....	107.30	103.90
Do., refund	4½	1940	4.75	98.00	97.90	97.40	98.40	95.10
Do., refund	5	1943	4.78	102.50	102.50	.....	102.50	100.35
Do., refund	4½	1944	4.74	98.20	97.50	.....	98.10	95.30
Do., refund	4½	1946	4.68	98.20	97.85	.....	98.40	96.10
Do., renewal	5½	1932	4.96	101.35	101.10	100.75	101.70	100.55

Foreign Exchange

NEW YORK FUNDS

	High (Discount)	Low	Last Year High (Premium)	Low
July 16	3-64	3-32	17-32	33-64
July 17	3-32	9-64	33-64	3-8
July 18	1-8	5-32	3-8	5-16
July 19	9-64	5-32	11-32	5-16
July 21	1-8	9-64	25-64	11-32
July 22	9-64	5-32	29-64	25-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
July 16	4.86 5-16	3.93 9-16	5.23 3-4
July 17	4.86 5-16	3.93 9-16	5.23 3-4
July 18	4.86 5-16	3.93 9-16	5.23 3-4
July 19	4.86 3-8	3.93 1-2	5.23 3-4
July 21	4.86 1-2	3.93 1-2	5.23 3-4
July 22	4.86 9-16	3.93 7-16	5.23 7-8

FOREIGN EXCHANGE

Par		July 8	July 15	July 22
5.263	Italian	5.23¾	5.23¼	5.23¾
23.80	German	23.84	23.85	23.85
13.90	Belgian	13.96½	13.96	13.95½
49.80	Japanese	49.45	49.40	49.37

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto Elgin: 5101 (TEN LINES)

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Bank of Montreal	12+2%	3%	Sept. 2	July 31
Bank of Toronto	12+1%	3%	Sept. 2	Aug. 15
Brand.-Henderson, com.	2%	½%	Aug. 1	July 2
Belding Corticelli pfd.	7%	1¾%	Sept. 15	Aug. 30
Beatty Bros., pref.	6%	1½%	Aug. 1	July 15
Brazilian Tr., com.	$2	50c	Sept. 2	July 31
B. C. Pulp, pref.	7%	$1.75	Aug. 1	July 15
Blue Ribbon Corp., pfd.	6½%	81¼c	Aug. 1	July 18
Calgary Power, pref.	6%	1½%	Aug. 1	July 15
Can. Dredge, com.	$3	75c	Aug. 1	July 18
Do., pref.	7%	1¾%	Aug. 1	July 18
Can. Investors	$1	25c	Aug. 1	July 15
Can. Bronze, com.	$2.50	62½c	Aug. 1	July 21
Do., pref.	$7	$1.75	Aug. 1	July 21
Canadian Car, com.	$1.75	43c	Aug. 30	Aug. 15
Canada Nor. Power, com.	60c	15c	July 25	June 30
Can. Industries, com.	$2.50	62½c+75c	July 31	June 30
Can. Gen. Invest.	...	$1	Aug. 1	July 15
Can. Converters	5%	1¼%	Aug. 15	July 31
Can. Pr. & Paper Invest. pfd.	5%	1¼%	Aug. 15	July 19
Cockshutt Plow	$1.50	37½c	Aug. 1	July 15
Consolidated Press	$2	50c	Aug. 1	July 15
Can. Bank of Commerce	12+1%	3%	Sept. 2	July 31
Cons. Sand & Gravel, pfd.	$7	$1.75	Aug. 15	July 31
Dom.-Scottish Invest., pfd.	5%	1¼%	Aug. 1	July 21
De Forest Crosley	80c	20c	Aug. 1	July 15
Dodge Mfg. "A" pref.	$2	50c	Aug. 1	July 24
Dom. Bridge	$3.60	90c	Aug. 15	July 31
Disher Steel, pref.	$1.50	37½c	Aug. 1	July 15
Dominion Tar, pref.	6½%	1⅝%	Aug. 1	July 17
Eastern Theatres, com.	$2	50c	Sept. 1	July 31
Eastern Theatres, pref.	7%	3½%	July 31	June 30
Enamel & Heat. com.	$1	25c	Aug. 1	July 15
Foreign Pr. Secs., pref.	6%	1½%	Aug. 15	July 31
Foundation Co.	$1	25c	Aug. 15	July 31
Frost Steel, 1st pfd.	7%	1¾%	Aug. 1	July 15
Do., Pref. "A"	7%	1¾%	Aug. 1	July 15
Federal Grain, pref.	6½%	1⅝%	Aug. 1	July 15
Gen. Steel Wares, pfd.	7%	1¾%	Aug. 1	July 15
Granby Cons., com.	...	75c	Aug. 1	July 18
Guelph Carpet, com.	...	25c	Aug. 1	July 19
Do., pref.	6½%	1⅝%	Aug. 1	July 19
Hamilton Bridge, pfd.	6½%	1⅝%	Aug. 1	July 15
Do., com.	$2	50c	Aug. 1	July 15
Hollinger Cons. Mines	65c	1%	Aug. 12	July 29
Humberstone Shoe	$2	50c	Aug. 1	July 15
Imperial Bank	12+1%	3%	Aug. 1	June 30
Inter. Utilities, pref.	$7	$1.75	Aug. 1	July 18
Inter. Nickel, pref.	6%	1½%	Aug. 1	July 2
Inter. Power & Paper "A"	$2.40	60c	Aug. 15	Aug. 1
Inter. Paper, com.	$2.40	60c	Aug. 15	Aug. 1
Lake of Woods Mill., com.	$3.20	80c	Sept. 1	Aug. 18
Do., pref.	7%	1¾%	Sept. 1	Aug. 18
London Can. Invest., pref.	5%	1¼%	Sept. 1	Aug. 15
MacKinnon Steel pfd.	7%	1¾%	Aug. 1	July 16
Mercury Mills, pref.	6%	1½%	Aug. 1	July 19
Mansfield Theatre, pfd.	7%	3½%	July 31	June 30
Manitoba Power	...	$1	Aug. 1	July 10
Muskoka Lakes Nav.	...	5%	Aug. 1	July 1
Montreal L. H. & Pr. (new)	$1.50	38c	July 31	June 30
McIntyre Porc. Mines	20%	5%	Sept. 2	Aug. 1
Monarch Knit., pref.	7%	1¾%	Aug. 1	July 22
Northern Ont. Power, pfd.	6%	1½%	July 25	June 30
Do., com.	$2	50c	July 25	June 30
Ont. Equitable	6%	3%	Aug. 1	July 15
Penmans, com.	$4	$1	Aug. 15	Aug. 5
Do., pref.	6%	1½%	Aug. 1	July 21
Power Corp., com.	...	$1	July 25	July 21
Royal Bank	12+2%	3%	Sept. 2	July 31
Russell Motor Car, com.	5%	1¼%	Aug. 1	July 17
Do., pref.	7%	1¾%	Aug. 1	July 17
Service Stn. Equip. pfd.	$6.00	$1.50	Aug. 1	July 15
Southern Can. Pr., com.	$1	25c	Aug. 15	July 31
Steel of Canada, com.	$1.75	43¾c	Aug. 1	July 7
Do., pref.	$1.75	43¾c	Aug. 1	July 7
Simpsons Ltd., pfd.	6½%	1⅝%	Aug. 1	July 18
Do., Class "A" com.	$2	50c	Aug. 1	July 18
St. Law. Flour Mills, pfd.	7%	1¾%	Aug. 1	July 19
Stand. Paving & Mat., com.	$2	50c	Aug. 15	July 31
Do., pref.	$7	$1.75	Aug. 15	July 31
Teck Hughes	60c	15c	Aug. 1	July 17
Union Natural Gas	...	35c+5c	Sept. 10	July 15
United Oils	...	5c	....	Sept. 1
Western Steel Prod., pfd.	6½%	1⅝%	Aug. 1	July 15
Winnipeg Elec., com.	...	$1	Aug. 1	July 19
Waterloo Mfg.	$1.00	25c	Aug. 1	July 15
Western Breweries	...	1%	Aug. 1	July 14
Weston, Geo., pfd.	7%	1¾%	Aug. 1	July 19
Wood, A. & J., pfd.	7%	1¾%	Aug. 1	July 19

Flood, Barnes Active Bond Prices

July 21, 1930.

	Price	Next Interest Date	Yield
Abitibi Power & Paper 5/53	87	Dec. 1	6.09
Alberta Pacific Grain 6% 1946	97½	Dec. 1	6.25
Algoma Steel Corpn. 5/62	75	Oct. 1	6.80
Argentine Govt. 6/58 Series B	99½	Dec. 1	6.05
Bell Tel. of Canada 1st 5/57	103½	Dec. 1	4.78
British American Oil 6% 1945	102	Sept. 1	[illegible]
Brazil, U.S. Ext. S.F. 6½/57	76	Oct. 1	8.86
Calgary Power Co. 5% 1960	94	Oct. 1	5.40
Can. Biscuit Co. Ltd. 6½/46	86	Nov. 1	8.00
Can. Cement Co. 1st Mtge. S.F. 5½/47	101	Nov. 1	5.45
Can. North. Power 5% 1953	94	Nov. 1	5.45
Canada Power & P. 5½/58	63½	Jan. 1	9.25
Can. Light & Power 1st S.F. 5/49	95	Jan. 1	5.42
Can. S.S. Lines 6/41 1st & Gen.	96½	Aug. 18	6.44
C. P. Ry. Coll. Trust 5/34	101	Oct. 5	4.90
C. P. Rly. Secured 4½/44 Notes	97½	Oct. 5	4.75
Can. Goodrich Income 7/48	65	.....	.....
Chile Republic Ext. S.F. 6/60	91	Oct. 1	6.70
Colombia Repub. Ext. S.F. 6/61	75	Oct. 1	8.00
Dom. Iron & Steel Consol. S.F. 5/39	98	.....	.....
Dom. Square Corp. 6/48	98	Oct. 1	6.18
Dominion Tar & Chemical Debs. 6/49	101½	Jan. 2	5.85
Donnacona Paper Co. 1st S.F. 5½/48	92	Aug. 1	6.25
Donnacona Paper Co. Debs. 6/48	91	Aug. 1	6.90
Duke Price Power 1st 6/66	106	Nov. 1	5.65
Eastern Dairies Convertible 6/49	102	Nov. 1	5.88
Foreign Power Securities 6% 1949	102	Dec. 1	5.85
Fraser Companies 1st 6/50	93	Jan. 2	6.63
Fraser Companies Convertible Notes 6/32	88	Jan. 2	.....
Fraser Co's. 6½/42 Debs. Cum. Warrants	88	Oct. 1	7.80
French Nat. Mail Ex. S.F. 6/52	103	Nov. 1	5.88
General Steel Wares 1st S.F. 6/52	100	Nov. 1	6.00
Gatineau Power 1st S.F. 5/56	96	Dec. 1	5.32
Gatineau Power S.F. Debs. 6/41	99½	Oct.	6.05
Great Lakes Co. 6% 1950	85½	Sept.	7.43
Howard Smith P.M. 5½/53	92½	Dec. 1	6.10
Manitoba Power 1st S.F. 5½/51	101	Jan. 1	5.40
Lake St. John Paper Co. 6½/47	99	Aug. 1	6.60
Massey-Harris Co. 1st Mtge. 5/47	95	Oct. 15	5.45
Montreal, City of, 5/58	102½	Oct. 1	4.84
Montreal Island Power 5½/57	98⅛	Nov. 1	5.61
Montreal Coke 1st S.F. 5½/47	100	Dec. 1	5.50
Montreal Power Cons. 5/70	101½	Sept. 1	4.91
Montreal Tram. 1st Coll. Trust 5/41	100	Jan. 1	5.00
Montreal Tram. Gen. Ref. 4½/55	90	Oct. 1	5.23
Montreal Tram. Gen. 5/55	95½	Oct. 1	5.33
Nova Scotia Steel & Coal 1st 5/59	74	.....	.....
Nova Scotia Steel & Coal 6 deb.	46	.....	.....
Northwestern Power Co. 6/1960	101½	Jan. 2	5.88
Northwestern Utilities 1st 7/38	103	Dec. 1	6.49
Ontario, Province of 5/59	103	Nov. 1	4.87
Peru, Republic of, 6% 1960	72	Dec. 1	8.60
Port Alfred P. & P. 1st 5/57	88	Nov. 1	6.45
Price Bros. 1st S.F. Series A 6/45	104	Aug.	5.60
Quebec Power 1st Mtge. Coll. S.F. 5/68	100½	Dec. 1	5.00
Rio de Janeiro Trams. 5/35	96	Jan. 1	5.30
Shawinigan W. & P. 4½/68	95½	Dec. 1	4.83
Simpson's 6/49	101⅞	Jan. 2	5.85
Sou. Canada Power 1st 5/55	100½	Oct. 1	4.96
United Grain Growers 1st Mtge. 5/48	90	Jan. 5	6.09
United Securities Coll. Trust 5½/52	100	Nov. 1	5.50
Wayagamack P. & P. 1st S.F. 6/51	98	Jan. 1	6.18
Winnipeg Electric Ref. 6/54	101½	Oct. 1	5.33

Active Provincial and Municipal Bonds

(Furnished by H. R. Bain & Co., Ltd.)
350 Bay Street, Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Ask	Approx. Yield
Alberta	4½	1 Oct. 1958	1 Oct.	$95.36	4.90
Alberta	5	1 Jul. 1943	1 Jan.	100.95	4.90
Alberta	6	1 Apr. 1936	1 Oct.	104.50	[illegible]
British Col.	4½	1 Oct. 1953	1 Oct.	95.80	4.80
British Col.	5	15 Jan. 1948	15 Jan.	101.79	4.85
British Col.	6	15 Aug. 1941	15 Aug.	108.67	5.00
Manitoba	4	1 Jul. 1947	1 Jan.	90.77	4.80
Manitoba	5	2 Jun. 1959	2 Dec.	102.32	4.85
Manitoba	5	15 Jun. 1943	15 Dec.	100.98	4.85
N. B.	4½	1 Jun. 1948	1 Dec.	97.00	4.75
N. B.	4¾	15 Jun. 1936	15 Dec.	99.48	4.85
N. B.	6	1 Jan. 1936	1 Jan.	105.13	5.00
Nova Scotia	4½	15 Nov. 1948	15 Nov.	95.76	4.85
Nova Scotia	5	1 May 1943	1 Nov.	101.47	4.55
Nova Scotia	6	1 Nov. 1936	1 Nov.	105.49	5.00
Ontario	4½	1 Sep. 1944	1 Sept.	97.00	4.78
Ontario	5	15 Oct. 1948	15 Oct.	102.75	4.75
Ontario	6	2 May 1936	2 Nov.	105.13	5.00
P. E. I.	4	1 Apr. 1939	1 Oct.	93.51	4.70
P. E. I.	4½	1 Oct. 1944	1 Oct.	95.50	4.90
Quebec	4½	1 Jun. 1946	1 Dec.	97.22	4.75
Quebec	5	1 Mar. 1964	1 Sept.	104.00	4.78
Saskatchewan	4½	1 Oct. 1944	1 Oct.	93.56	4.87
Saskatchewan	5	1 Oct. 1950	1 Oct.	101.93	4.85
Saskatchewan	6	1 Feb. 1936	1 Aug.	104.87	5.05
Cities					
Montreal	5	1 Sep. 1963	1 Sept.	102.47	4.85
Toronto	4½	1 Sep. 1954	1 Sept.	95.71	4.80
Vancouver	4	1 Aug. 1946	1 Aug.	89.58	4.95
Winnipeg	5	1 Mar. 1944	1 Sept.	100.00	5.00
Windsor	5	1 Dec. 1937	1 Dec.	99.42	5.10
Edmonton	5½	1 May 1945	1 Nov.	103.71	5.15
Calgary	5	1 Jan. 1943	1 Jan.	99.06	5.10
Halifax	5	1 Jul. 1951	1 Jan.	100.00	5.00
St. John	5	15 Dec. 1950	1 Dec.	100.64	4.95
Regina	4½	1 Jul. 1950	1 Jan.	92.53	5.10
Victoria	5	21 Jul. 1945	21 July	99.48	5.05

Four Major Problems Face Mortgage Bankers

New Conditions of 1930 Must Be Studied and Met to Ensure Profitable Operation of Mortgage Business

By R. GRAEME SMITH
Connecticut General Life Insurance Co.

Four major problems confront the mortgage banker in 1930, according to R. Graeme Smith, who addressed the members of the mortgage and finance division of the National Association of Real Estate Boards at the annual convention held recently in Toronto on the subject of "Problems of the Mortgage Banker in 1930 and Their Solutions."

There are also four contributing factors to the present condition of the city real estate market, he said, the fact that investors may at present be tied up financially, and unable to make quick turns on property, rent fluctuations, the constantly increasing influx of chain stores, which has raised the income yield on certain properties and has indirectly affected rental values of properties occupied by individual merchants and the growing dominance of the style factor in real estate.

Four Major Problems

In considering the four major problems which include adjusting activities to the present volume of business; satisfactorily meeting obligations to lenders; foreclosure procedure; and management and disposal of foreclosed property. Mr. Smith spoke as follows:

"In every city with which I am acquainted, there has been a continued drop in the number and amount of mortgages put on record. Will this tendency change? Not much new financing will need financing this year. The opportunity of lifting loans of other financial institutions, such as building and loan associations, savings banks, national banks, trust companies, and other life insurance companies will be cut to a minimum because these institutions now have ample funds, which means rates and terms equally as attractive as yours and, furthermore, their correspondents or lending departments will be in the same situation you are in and just as anxious to retain their loans and renewals as you will be to retain yours. Of such loans as are available for refinancing, many will have been made on the high value basis of a few years ago and are not yet cut down so they can be handled by your connections. Money may become easy but those in charge of lending will be apprehensive over the real estate market. Maintaining volume under such conditions means cutting commissions to steal each other's loans, and will lead you to being mired down in the bog of servicing costs.

Must Cut Costs

"Granting, then, that for these reasons there will be a decreased volume of satisfactory business, which means decreased commissions if the same rate of commission is charged, you are faced with two alternatives—either to maintain your present force and system of operation by engaging in other activities, or to cut down your overhead materially.

"If your organization includes a fire insurance, property management, rental, or real estate sales department, or if your are functioning as part of a bank or trust company, these activities may take up the slack. If, however, you have no other form of activity, then take time by the forelock and cut down expenses, striking as even a balance as possible between low overhead doing what business you can and adequately servicing loans in force. Reduction of overhead, adjustment of salary schedules, careful economy in advertising and in soliciting loans are details which you alone, with intimate knowledge of your business, can master. And these changes must be carried forward in full cognizance of servicing costs, a matter which now brings us to the second major problem you face.

"Every mortgage loan made by every mortgage banker means a very definite obligation on his part to protect the moneys of the investor and in times like these, you, as mortgage bankers, must face squarely the increasing burden of these obligations and ask yourselves, 'How far will I and can I go to protect the lender, which is the same to me as protection to the reputation of my business? How much of my personal time and how much of the expense of my organization will I and can I devote to problems of particular loans to keep them in good standing and, by virtue of that, to retain the lender's confidence in these loans, in me, and in my city?'

"Paramount, of course, is the matter of collections, including interest, taxes, insurance premiums, and principal payments in all cases where everything but the newest property is involved, and as no two cases are alike, serious delinquents cannot be handled in routine manner, but must receive personal attention of the best and most forceful brains and personality you have available. This probably means yourself. Courage and ingenuity, plus tricks of the trade, count for much in working embarrassed borrowers out of their difficulties.

Seek More Facts

"To the extent that home offices of life insurance companies will now reinspect their mortgage properties more often and more carefully than before, that they will require new valuations and new income analyses to meet the downward revision in real estate rentals and prices, that they will require pertinent information regarding industrial, financial, construction and employment conditions in your city, and that they will wish to feel more intimately in touch with the delinquency experience and foreclosures of other lenders, you must co-operate with them to transmit the truth, and the whole unvarnished truth, which affects their invested funds. Collections mean hard work, but this co-operation with the home offices means a new conception of the obligations to your lenders. Together they mean the rising cost of servicing loans.

"Apart from your willingness to meet these obligations will stand your ability to do so, and the greatest danger to that is frozen assets. Unnecessary advancing of items for borrowers, protecting second mortgage commission notes, and carrying large stocks of unsold mortgages will freeze assets overnight. Rather than cover up the true position of the borrower by advancing his delinquent items from your funds, keep your home office informed in detail regarding each case. Get some portion of your surplus or reserve in high grade marketable securities not affected by real estate conditions in your city. Keep this as a real reserve for emergencies. If experience means anything, this is the time to maintain a liquid position so that you can, as well as will, meet your obligations to the lenders.

Foreclosure Procedure

"The third problem is that most unpleasant subject of foreclosure. Naturally, to the majority of you who have represented life insurance companies in the consistent real estate bull market prevailing since 1920, foreclosures mean serious blemishes to your record and you are going to fight to the last before resorting to such measures. This should not be carried too far. Your opinion will play a large part in the decision to foreclose, for yours is daily contact with weakness of the borrower, with neglect of the property, with increasing delinquent payments and approaching unpaid taxes, and the home office must rely to some extent upon you to tell them when the end of justified leniency has come. Failing in the attempt to trade delinquent loans from weak borrowers to strong borrowers, you must then give the home office the complete picture and recommend immediate action.

"In properly guiding the home office into the most expeditious and least expensive foreclosure procedure, in advising as to use of Federal or State Court, in avoiding foreclosure by securing deed from the borrower where that is feasible and legally safe, or in refusing to take deed and proceeding with foreclosure where legally necessary, in allowing just the proper time to borrowers who at the last minute stall or cook up impractical 'deals' to save property, in evaluating deficiency judgments and in other vital matters, you meet the acid test of your ability as a mortgage banker. We judge the master of a ship in foul weather, not fair.

"Good real estate attorneys are rare; when they can further seize upon the financial aspect of the forclosure, they are very rare; when in addition they are diligent in pushing action, they are indeed wonders to be marvelled at. No fallacy is more prevalent than that of believing that an attorney does not make mistakes in foreclosure. Out of the well of experience, I draw the most earnest advice that you work with them, at them, and on them constantly and forcefully. Foreclosure is complicated and technical enough to need the painstaking attention of those who have at heart, first, the ever-mounting funds involved and, second, condition of the property and its rentals. Quick action, clear title, minimum expense. These are your aims. Consult with your attorney, review the experience of farm mortgage bankers in your state, analyze the attorneys and judiciary in your district, study, and use all research facilities of the organizations to which you belong. Attorneys must work with you, but cannot substitute for you.

Managing Foreclosed Property

"The last problem to be presented is that of getting the lender's money back to him after recourse has been had to the physical security, or so managing and disposing of owned properties that the lender will in the end receive all of the principal, plus accrued and delinquent items, and will in the meantime have received a reasonable rate of return. Here, for the time being, you assume a role other than that of true mortgage banker.

"If you can sell, or have sold, the property within a week after taking possession, you face no problem, but that is not possible quite often. Your first step, then, is to get a clear statement of home office policy on conditioning, managing, renting and selling of property. They owe it to you to give a working plan with net income and sales price desired, with limits to the amount of money to be spent, and with a carefully thought out arrangement for management detail and accounting (whether through your office or that of a property management concern); on the other hand, you owe it to them to learn their wishes and adhere to them.

"Now, before they declare their policy, they must know the property first hand or have a detailed report on it. Whenever possible, get the proper home office official to visit the property, study the location, talk to owners of and tenants in adjoining properties and to competent realtors and rental agents; list necessary repairs, alterations and redecoration, discuss the rent schedule, if any, in light of proposed repairs, etc., and scrutinize the expenses and fixed charges. Barring success in this, you should submit this information in written form, plus whatever else bears directly on the rental or sales value and your recommendations. May I add, parenthetically, that you should strive to win the home office to declare for putting the property in first class shape before trying to rent it or sell it. The home office is then ready to state its policy and, once stated, it should also become your policy, enjoying your support fully as well as theirs.

"Having considered that part of the problem most often neglected, we turn to the part most difficult of execution. It is divided into three chronological steps — actual reconditioning, actual renting and management, and actual selling—and involves detail too bulky to give here. Securing of low bids for repair, supervision of repair work, careful calculation on insurance coverage, reduction in tax assessment, leasing so that tenants will take care of interior repairs, and prompt collection and remittance of rents are a few of the economies most appreciated.

"While good fortune may reward your constant endeavor to sell the property, you will do well to treat owned properties in the light of long-time holdings and be prepared to give the same amount of your ingenuity, of your personal contact with experts in management and sales, in the third and fourth years as you do in the first six months of management. It goes without saying that the life insurance company does not wish to own property longer than it has to and will appreciate your aggressiveness and forcefulness in handling and disposal of owned properties fully as much as it appreciated your diligence, study and economy in the foreclosure procedure.

Must Solve Problems

"Gentlemen, it occurs to me that the complexion of your business is temporarily changed; that the emphasis in the next few years will not be placed so much on the niceties of soliciting, appraisal and closing of loans as it will be on the proper solutions of the four problems which I have outlined above; namely, adjusting activities to a decreased volume of business; satisfactorily meeting obligations to lenders; foreclosure procedure; and managing and disposing of foreclosed properties. Work out these solutions well and willingly, rather than badly and begrudgingly. Demonstrate your personal ability and your preparedness. Regarding this last word, I would say that it would not look well for the city mortgage bankers to let the present real estate market swing them into the dangerous position in which farm mortgage bankers now find themselves, when the startling example of the farm mortgage bankers is obvious to everyone. Your problems for 1930 call for serious thought."

Inter. Proprietaries Revenues Are Growing

Earnings for 1930 of International Proprietaries are expected to be better than in 1929 because of the opening of new plants and the addition of new products to the company's lines. A report just released indicates that in 1929 earnings exceeded $1,250,000 as compared with $1,114,139 in 1928. The 1929 earnings amount to $5.56 a share on the 224,500 shares of no par value Class "A" stock outstanding, and after payment of the preferential dividend of $2.60 a share, there remained $665,000 available for 112,500 shares of Class "B" no par value stock and the participating right of Class "A" shares to 25 per cent of total dividends paid on Class "B" up to an additional 80 cents. The surplus was $350,000 for 1929, after paying dividends, taxes and setting aside depreciation and all other charges.

As an 80 cent dividend was declared on Class "B" shares last December the Class "A" shares are already participating in additional earnings, and will probably receive $2.80 a share in 1930. The maximum annual dividend possible to the Class "A" shares through the participating clause is $3.40 a share.

International Proprietaries has six plants in London, Toronto, Buffalo, Berlin, Paris and Barcelona. Previous to opening the Buffalo plant all Eno's salts consumed in the United States were shipped from Great Britain. Operations have proved very profitable in Buffalo during the last half of 1929.

A factory will probably be opened in Australia also. It is the intention to build up a world-wide manufacturing and selling organization. In the latter part of 1929 the company purchased Minard's Liniment Co.

NEW BUYING ABITIBI BONDS AT LOW PRICE

(Continued from page 11)

thirds of cost of additions provided interest charges have been earned at least twice during two 12-month periods in the preceding 40 months.

Through sinking fund operation it is estimated that 70 per cent of the series "A" bonds will be retired by maturity. This sinking fund will become operative on June 1, next.

Abitibi Power & Paper was incorporated under Dominion charter in 1914, and controls and operates various units manufacturing newsprint paper and associated products. The 5s of 1953, which constitute the company's sole funded debt, are secured by direct first mortgage on all fixed property of the company; by pledge of all timber licenses, leases, water power rights and concessions; by pledge of all capital stocks and first mortgage bonds of subsidiaries. The pledged first mortgage bonds mentioned are secured by direct first liens on all fixed property of these companies, as well as by pledge of timber licenses and leases, water power rights and concessions of the various subsidiaries.

Canadian Quotations--Cont'd

Winnipeg Grain Prices

Week to July 22

High Crop Year	Low		Open July 16	High for week	Low for week	Close July 22
		Wheat				
1.55	.92⅛	July	.97	.98¾	.94¼	.97¼
1.44¼	.96	October	1.00	1.01⅝	.97½	.99⅞
1.18⅛	.97⅛	December	1.01	1.03	.99⅛	1.01
		Oats				
.71⅜	.40¼	July	.45⅞	.49⅞	.45¼	.46⅝
.60½	.40⅜	October	.45	.47½	.42¼	.46
.48⅝	.41⅝	December	.44	.46⅝	.43⅜	.45⅛
		Barley				
.76	.35⅝	July	.39	.42⅛	.38	.42
.60	.39	October	.43¼	.45¾	.41¾	.45¼
.52	.41½	December	.45½	.47⅞	.43⅜	.47⅞
		Flax				
2.91	1.69	July	1.79	1.85	1.72	1.85
2.35	1.62¾	October	1.70	1.75½	1.67½	1.74
1.82½	1.62¾	December	1.70	1.74¾	1.67½	1.73¾
		Rye				
1.04⅝	.44½	July	.50½	.58⅝	.50⅛	.56⅝
.84	.48¾	October	.54½	.61¾	.53	.59⅝
.71	.52	December	.57	.63⅞	.55¾	.61⅝

Winnipeg Stock Exchange

(Transactions for week to July 14 in stock not traded in elsewhere)

Div. Rate in $	Yield July 14		Close July 8 (or last)	High for wk.	Low for wk.	Close July 14
....	....	Crescent Creamery	91	90	90	90

Inactive Stocks

July 14

	Bid	Ask		Bid	Ask
Beaver Fire	..	120	North. Mtge. part pd.	13	..
Can. Indemnity	125	...	Northern Trust	45	..
Home Investment	..	75	Traders Budg.	..	100
Monarch Life	35	50	Un. Grain Growers	..	16

Mining Stock Quotations

Week Ending July 21

Par Val.	Range High	1930 Low	Company	Close July 14 (or last)	High for week	Low for week	Close July 21
$1	1.42	.39	Abana	.45	.45	.39	.40
1	.09	.02	Aconda	.02	....	....	....
None	.50	.32	Aladdin	.33	....	....	....
None	.50	.30	Aldermac	.40	....	....	....
1	.19	.02	Amity C.	.03	.03	.03	.03
None	1.95	.35	Amulet	.53	.53	.45	.45
1	.02½	.02½	Ankerite	.02½	....	....	....
1	.01	.00¼	Apex	.01	.01	.01	.01
1	.10	.05	Area	.05	....	....	....
1	.02	.00¼	Argo. Con	.00½	....	....	....
1	.30	.05	Arno	.05¼	.06	.05	.06½
1	.01	.00½	Atlas	.00½	....	....	....
1	.03½	.01½	Baldwin	.02¾	.02¾	.02	.02
1	.25	.12	Barry Holl.	.13½	.14	.13	.13½
None	4.45	2.00	Base Metals	2.15	2.35	2.25	2.25
None	.05	.01½	Bathurst	.02½	.02¾	.01½	.01½
5	6.10	3.35	B'Wana	3.50	3.35	3.35	3.35
1	.32	.12	Bedford	.12	....	....	....
1	.11	.02	Bidgood	.04	.04½	.03¾	.04
1	1.04	.36	Big Missouri	.67	.69	.56	.59
1	.11	.03¼	Bobjo	.06½	.06½	.06	.06
None	.01½	.00½	Boischatel	.01½	.00½	.00½	.00½
1	.02¼	.00½	Buckingham	.00¾	.01	.01	.01
None	.10	.01¾	Bunker Hill	.07	.09	.07	.08½
None	.14	.05	Cal. Flin Flon	.05½	....	....	....
None	.65	.15	Canam Metals	.19	.15	.15	.15
1	.08	.00½	Can. Kirk	.04	....	....	....
1	.06	.02	Can. Lorraine	.02	....	....	....
1	.28	.15	Castle Tre.	.16	.18	.16	.16
1	.29	.08	Cen. Man.	.09	....	....	....
1	.30	.16	Cen. Patricia	.26	.25	.20	.20
1	.07½	.05	Chaput H.	.05	....	....	....
None	1.05	.10	Chib. Pros.	.10	....	....	....
None	.07½	.00¾	Clericy	.04	....	....	....
5	24.00	7.00	Coast Copper	9.25	9.75	8.50	8.50
1	.42	.05	Cobalt Con	.06	.06	.05¾	.05¾
1	1.17	.32	Columario	.50	.66	.44	.57
5	1.40	.80	Coniagas	.80	....	....	....
5	.60	.15	Coniaurum	.20	....	....	....
25	280.00	175.00	Cons. Smelters	200.00	205.00	198.00	201.00
1	.02	.01	Corona	.02	.02	.01½	.02
1	.02	.00½	Crown Res.	.00¼	.00¾	.00¼	.00¾
None	.39½	.15	Dom. Explor.	.19	.19	.19	.19
None	9.30	7.00	Dome Mines	8.00	8.00	7.80	7.85
1	.01¼	.00¼	Dom. Kirk	.01	....	....	....
1	.01	.01	Don. Rouyn	.01	....	....	....
1	.05	.00½	Dunkin	.02	.01⅜	.02⅜	.01⅜
1	.70	.20	Duthie	....	....	....	....
1	.04	.01	Duprat	.02½	.02	.02	.02
None	.04	.03	Engineers Hold	.03	....	....	....
None	6.50	1.80	Falconbridge	1.87	2.15	2.00	2.10
1	.02	.00½	Federal Kirk	.01	....	....	....
	.05½	.00½	Flintoba	.01	.00½	.00½	.00½
None	.24½	.14	Gem Lake	.15½	.14	.14	.14
1	4.50	1.05	George Cop.	1.45	....	....	....
None	.07	.01	Gilbec	.03	.01½	.01	.01½
1	1.90	.55	Golconda	.80	....	....	....
1	.04½	.02½	Goldale	.04	.02¾	.02¾	.02¾
	.58	.25	Goldfield	.30	....	....	....
1	.02	.00¼	Gold Hill	.00¾	....	....	....
1	.10	.02½	Goodfish	.03	....	....	....
1	.03½	.01	Graham	.01	....	....	....
50c.	.90	.04	Grandview	.04	....	....	....
None	2.05	1.03	Granada	1.50	1.55	1.50	1.50
1	.01½	.00¼	Grover Daley	.00¼	....	....	....
1	.10	.01¼	Grozelle	.05	....	....	....
1	.03	.01	Harker	.03	....	....	....
1	.18	.10½	Hayden	.10½	....	....	....
5	6.65	4.90	Hollinger	5.70	6.10	5.85	5.85
1	1.40	.38	Howey Gold	.50	.52	.38	.46
None	14.65	7.00	Hudson Bay	7.50	8.50	7.65	8.25
1	.09	.00½	Indian	.02	.00½	.00½	.00½
None	44.50	20.25	Int. Nickel	24.50	26.87	24.00	24.50
	.40	.24	Do. Rights	.30	.36	.29	.33
1	.03½	.01½	Jackson M.	.03	.03¼	.02¼	.02¼
1	.40	.30	Keeley	.30	.30	.30	.30
1	.04	.01	Keora M	.02	.02	.02	.02
1	.01¼	.00¼	Kirk Hunt	.00½	.01	.01	.01
1	.95	.50	Kirk Lake	.57½	.60	.56	.56
1	.03½	.01	Kirk Prem.	.01½	....	....	....
20c.	.08	.02	Koot Flor.	.02	.02½	.02	.02
25c.	.56	.04	Koot King	.02½	....	....	....
1	24.00	19.00	Lake Shore	22.25	22.35	21.55	22.00
1	.04	.00¾	Laval	.01⅜	....	....	....
1	.13	.06	Macassa	.10	.10¼	.10¼	.10¼
1	.07	.01½	Malartic	.02½	.02½	.02½	.02½
None	.35	.10	Mandy	.14	.14	.12	.12
None	.17	.04	Man. Basin	.04	.04½	.04	.04¼
None	.30	.15	McDougall	.19	....	....	....
1	.60	.30	McKinley	.35	.34	.33	.33
5	19.80	15.00	McIntyre	18.00	18.25	18.00	18.25
1	.30	.14	McVittie	.25	....	....	....
5	3.60	1.00	Mining Corp.	1.00	1.06	1.00	1.00
1	.01½	.00½	Mint Ore	.00½	....	....	....
1	.04½	.02	Moffatt Hall	.03½	.03	.02½	.02½
1	.50	.10	Moss	.30	.25	.25	.25
1	.02⅜	.00½	Murphy	.02⅜	....	....	....
1	.26	.06	Newbec	.08	.09½	.08	.09
1	.06½	.03	Night Hawk	.05	....	....	....
5	1.85	1.00	Nipissing	1.00	1.10	1.00	1.10
50c.	.40	.11	Noble Five	.12	....	....	....
None	44.25	19.50	Noranda	23.50	24.00	23.00	23.25
1	.46	.22	Nor. Canada	.22	.23	.22	.23
None	.07	.02	Old Colony	.02¼	.02½	.02¼	.02¼
50c.	.18	.07	Oregon Cop.	.07	....	....	....
1	1.36	.10	Oriole	.34½	.50	.26	.41
1	.30	.10	Osisko	.14	....	....	....
None	27.50	26.00	Pandora Units	27.50	....	....	....
1	.06	.02⅜	Patterson Cop.	.04	....	....	....
None	.03	01¼	Pawnee Kirk	.02	.02	.02	.02
1	5.15	.95	Pend. Ore	1.25	1.30	1.25	1.25
1	.19¼	.06	P. L. Cobalt	.08½	.06½	.06	.06½
1	.01	.00¼	Picard	.01	....	....	....
1	.20	.09	Pioneer	.11	....	....	....
50c.	.15	.15	Porter Idaho	.15	....	....	....
1	.03¼	.01	Potter Doal	.01	.01½	.01	.01½
1	1.60	.80	Prem. Gold	.95	1.05	.97	.97
1	.70	.25	Quemont	.25	....	....	....
None	1.78	.30	Reeves McD.	.55	....	....	....
1	.03	.00½	Ribago	.03	....	....	....
1	.10	.02	Ritchie	.07	.07¼	.06	.06
1	.04	.00¼	R. Montbray	.02	....	....	....
25c.	.25	.10	Ruth Hope	.10	....	....	....
1	.08	.02	Salmo Mal.	.04	....	....	....
None	.35	.12	San Antonio	.20	.24	.19	.20
1	.53½	.40	Seven Troughs	.48	.45	.40	.40
1	3.50	1.25	Sherritt G	1.36	1.50	1.35	1.45
1	.75	.24	Siscoe	.26	.28	.25	.27
50c.	.26	.09½	Snowflake	.15	....	....	....
1	.02½	.01	So. Keora	.01	....	....	....
None	.07	.02	Stadacona	.03½	.03½	.03	.03
1	.29	.05	St. Anthony	.06	.06	.06	.06
	.25	.18½	Stewart Abate	.24	....	....	....
None	5.35	1.40	Sud. Basin	1.50	1.53	1.45	1.45
1	.05	.01½	Sud. Contact	.02½	....	....	....
1	.01	.00½	Sudbury M.	.00½	....	....	....
None	.20	.10	Sudbury N.	.12	....	....	....
1	1.00	.60	Sunloch	.70	....	....	....
1	1.02	.42	Sylvanite	.45	.51	.47	.51
1	.22	.09	Tashota	.12	.10	.10	.10
1	7.30	4.70	Teck Hughes	6.50	6.60	6.45	6.55
1	.19	.05	Telluride	.08	.10	.08	.10
1	.12	.02	Thom. Cad'c.	.03	.03	.03	.03
1	.03	.02	Temiskaming	.03	....	....	....
50c.	.06	.02	Topley	.02	....	....	....
1	.05½	.00½	Tough Oakes	.02	.02	.01	.01
1	1.50	.35	Towagmac	.35	....	....	....
None	7.50	3.50	Treadwell Y.	3.75	3.80	3.50	3.80
None	3.25	3.00	Tri-Metals	3.00	3.00	3.00	3.00
None	3.50	1.05	Ventures	1.10	1.15	1.05	1.05
1	1.42	.60	Vipond	1.32	1.32	1.22	1.22
None	5.65	1.40	Waite Ack.	1.97	2.30	1.95	2.20
	.09	.03	West Tree.	.05	....	....	....
1	1.35	.35	White Lake	.40	.40	.35	.35
1	1.50	.06	Whitewater	.06	....	....	....
None	.04	.00¼	Windfall R.	.00½	....	....	....
None	2.30	1.35	Wright-Har.	1.88	1.99	1.86	1.87

WESTERN OIL STOCKS

Par Val.	Range High	1930 Low	Company	Close July 14 (or last)	High for week	Low for week	Close July 21
1	.70	.05	Acme	.40	.50	.32	.32
1	2.10	2.00	Admiral	2.00	....	....	....
None	1.25	.25	Advance	.25	....	....	....
1	2.75	.67	Alta. Pac	.75	.77	.67	.68
None	2.00	.35	Associated	.50	.50	.35	.50
1	2.91	.80	Ajax	1.78	1.96	1.65	1.83
None	1.60	.17	Baltac	.20	.18	.17	.19
1	.74	.28	Brit. Dom.	.29	.28½	.28	.28
1	.20	.10	Black Dia.	.17½	....	....	....
None	4.25	.90	Calmont	1.08	1.11	.99	1.00
None	3.90	.60	Calgary & Ed.	.71	.75	.60	.65
1	1.00	.17	Comm. Pete.	.18	.20	.19	.20
1	.50	.45	Dallas	.50	....	....	....
None	3.50	.80	Dalhousie	.83	.90	.80	.90
None	.30	.15	Devenish	.16	.18	.17	.17
None	.26	.06	Dome Oil	.10	....	....	....
None	1.35	.15	E. Crest	.20	.25	.20	.23
1	.08½	.04½	Fabyan Pete.	.05	....	....	....
None	2.50	1.00	Foothills	1.00	....	....	....
None	1.00	.17	Freehold	.17	.18	.17	.17
None	1.40	.17	Hargal	.18	.18	.17	.18
None	.45	.25	Herron Pete.	.25	....	....	....
None	.26	.05½	High Sarcee	.05½	.06½	.06½	.06½
None	10.00	3.40	Home	4.05	4.25	3.40	3.70
None	.80	.15	Homestead	.15	.17	.15	.15
1	.55	.10	Ill. Alta	.11½	.11	.10½	.11
None	2.35	.75	Lowery	1.00	....	....	....
1	.20	.03½	Madison	.03½	.04½	.04	.04½
1	3.25	.50	Mayland	.52	.50	.50	.50
None	.33	.11	McD. S. Ex. Can.	.11½	.12	.11	.12
1	1.10	.38½	McD. S. N.	.40	.40½	.38½	.40
1	5.90	1.10	McLeod	1.15	1.12	1.10½	1.12
None	.87	.23½	Mercury	.27	.27	.25	.27
None	1.05	.10	Merland	.11½	.12	.10	.12
1	.42	.14	Mid West	.16½	.16	.16	.16
None	2.10	.15	Mill City Pete	.18	.22½	.17	.22½
1	.45	.18	Model	.20	.22	.20	.21¾
1	.91	.37	Monalta	.50	.40	.37	.37
1	.23	.20	Moose M.	.20	....	....	....
1	.10	.05	New Federal	.05	....	....	....
None	2.32	.60½	Nordon	1.00	1.10	1.00	1.08
	1.42	.92	Do., new	1.10	1.10	1.00	1.05
None	2.10	.47	Okalta	.47	.51	.47	.51
100	45.00	40.00	Do. pref.	42.00	....	....	....
	.25	.07	Olga Oil & Gas	.07	.09	.07	.07
1	.30	.11	Petrol	.26	.30	.29	.30
	2.45	1.70	Penn. Pete.	2.30	....	....	....
None	.43½	.09	Ranchmen's	.09¼	.11	.11	.11
1	.45	.06	Regent	.06¾	....	....	....
None	.48	.05	Richfield	.06	.06¼	.05½	.06¼
None	65.00	20.00	Royalite	23.00	23.00	22.00	22.00
1	1.46	.50	Sarnia Oil	.50	....	....	....
1	.22½	.07	Signal Hill	.08½	.11	.09	.11
1	1.30	.35	Spooner	.43	.55	.43	.45
None	2.10	.30	So. West Pete.	.35	....	....	....
None	1.08	.10	Sterling Pac.	.12	.10½	.10	.10
1	.60	.20	Turner Valley	.20	....	....	....
None	1.65	.30	United	.32	.40	.30	.40
None	.83	.55	Vanalta	.60	....	....	....
1	.80	.12	Vulcan	.17	.18	.18	.18
None	.15	.03	Wainwell	.04	.04¼	.03	.03¼
1	1.75	.15	Waite Valley	.20	.18	.14	.18

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Canam Metal	2c.	....	McIntyre	$1	5.47
Cons. Smelters	$12.50	6.21	Nipissing	30c.	27.27
Dome Mines	$1	12.50	Noranda	$2	8.60
Hollinger	65c.	11.11	Premier	24c.	24.74
Home Oil	25c.	....	Royalite	50c.	....
Inter Nickel	$1	4.08	Teck Hughes	60c.	9.16
Lake Shore	$1.20	5.45	United Oils	5c	

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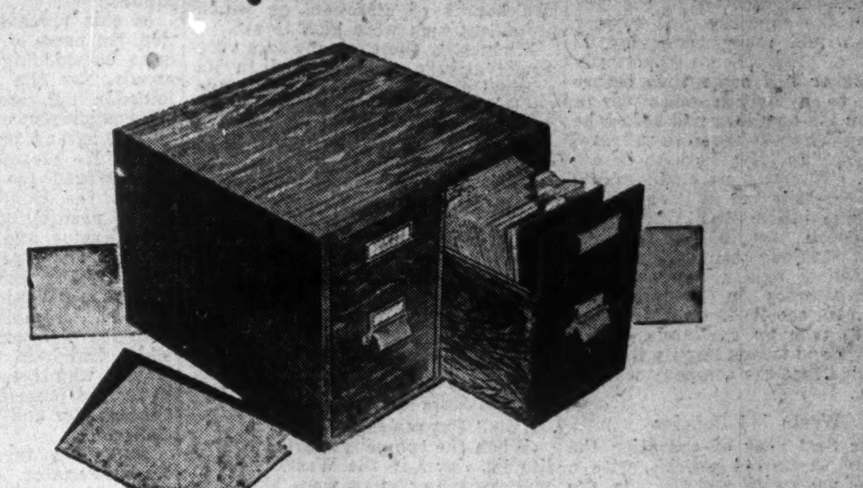

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Canada Life Attains Billion Dollar Mark In Insurance World

Oldest Canadian Company Has $1,000,000,000 in Force

HAS FINE RECORD

First Half Billion of Business Took 77 Years—Last Half Placed in Five

The Canada Life is now a billion-dollar life insurance company.

Early last month Canada's oldest life insurance company — founded twenty years before confederation—found itself with just exactly $1,000,000,000 of life insurance on its books, a goal which has been achieved by only one other Canadian life company.

It took the company just 77 years to accumulate its first $500,000,000 and only five years to accumulate the second half billion. This is a significant commentary not only on the rapid growth of the company in the past few years, but also on the amazing growth of life insurance in the past decade.

Here are the figures which mark the high-spots in the career of this company which has had such a successful and honorable career since 1847.

Total Insurance in Force	Year Attained	Total Assets at end of Year Attained
$ 1,000,000	1851	$ 81,045
$ 100,000,000	1904	29,074,599
$ 500,000,000	1925	114,460,672
$1,000,000,000	1930	*173,767,668

*Figure as at beginning of year attained.

The Canada Life was not only the first Canadian life insurance company but it was founded some twenty years previous to its earliest contemporaries in the Canadian field. The company was launched on August 21, 1847, by Hugh C. Baker, its founder and first president, and when it issued its first policy on October 29, 1847, the history of Canadian life insurance really began. Previous to that time the science of life insurance was practically unknown to the provinces. In its first annual report the company states that "the practice of life insurance was but little understood among us, while its governing principles were still less generally understood."

Thus it was that the company first went to parliament to obtain its charter, the application was thrown out by the House of Lords, one witty member remarking that the only capital which the petitioners possessed was their "Assurance." However, the charter was duly obtained and the much more difficult task began of educating people to the uses of, and need for, life insurance.

Not Even Postage Stamp

The difficulty of such a task may be appreciated when it is realized that in those days there were only a few struggling newspapers in all Canada; means of communication were exceedingly scant, it was seemingly impossible for new ideas to make headway. Stage coaches were the only means of transportation in settled districts, and the farmers still had to carry their grain in sacks on horseback to the mill. Postage stamps had not been introduced; there was no telegraphic communication, only the beginning of a railway and no ocean steamers had then arrived at Quebec.

The now-famous story of the way in which the company was formed has been told many times but is worthy of repetition. Apparently Hugh Baker had some time before applied to a British office for a policy on his own life, and before he could get it he was required to travel all the way to New York to be examined. This was no small undertaking, necessitating as it did a 500-mile trip from Hamilton, Ontario, by stage coach, saddle and stream. Being a studious man with marked mathematical ability and considerable experience in banking and finance, he resolved, on his return home, to take up the study of life insurance and it was largely through his efforts that the company was organized.

Wrote 144 Policies

In its first year of operation the company wrote 144 policies, with a total assurance of £59,650. In the first year receipts were £2,153 and expenses £380. Thus the company in its very first year was placed in a position, to quote from the annual report, "unexampled in the history of life insurance."

The records of the first decade show steady and conservative progress. To extend its field of operations, the company in 1853 formed a local board of directors in Montreal, with the Hon. Joseph Bourret as president. In 1854, a lot in Hamilton was purchased for the erection of a head office building, which was completed and occupied two years later. In 1856 the company went still further afield and opened a branch in St. John, N.B. It is interesting to note that about this time the country was passing through a period of wild speculation and inflated values in real estate. The high rates of interest obtainable led the directors to take over the Hamilton & Gore District Savings Bank. This venture, however, proved unsatisfactory and the bank was operated for only a short time.

In 1857 the company's annual report appeared for the first time in dollars and cents. The assurance in force amounted to over $3,000,000.

Growth After Confederation

After Confederation the company expanded rapidly. In 1868 the year's business was double that of any previous year. Agencies were opened at Halifax, N.S., at London, Ont., and at other points with representative boards of direction, on which prominent men were glad to act.

Financially the company was very conservatively operated and in its original charter provision was made for the annual report of its financial condition to the several branches of the Legislature, thus anticipating by many years, any form of government supervision. Conservative progress, followed from the first, gave the company considerable financial strength and enabled large profits to be paid to policyholders. In 1870 a quinquennial division of profits was declared to policyholders, being a bonus of 2½ per cent per annum, or $125 per $1,000 for the five-year period. The rate of interest used in valuation of its policy reserves was also reduced from 6 to 5 per cent.

Expansion in West

When the company started selling life insurance in the West, business and travelling alike were slow and difficult. The largest city of the West, Winnipeg, had a population of about 4,000 when the first western agency was opened in 1879. This general agency became a branch in 1884 and the operations of the office generally enlarged until that branch covered the portion of Ontario now known as the company's North-West Ontario branch, and stretching on westwards to the Pacific Coast, including in turn the North-West territories and British Columbia. Gradually this immense territory was divided and subdivided — a process which is still going on as the company continues to grow.

Just fourteen years after the company had been founded, a young man by the name of George A. Cox, joined the company as a local agent in Peterborough. At the age of 21 he wrote his first application and through his tireless energy and indomitable will he gradually built up an agency that rose to very first place in the company's rolls. In a few years he had charge of all Ontario east of Toronto and in 1885 the territory became the Eastern Ontario branch, with headquarters at Toronto. Accordingly, steps were taken to build a building at Toronto commensurate with the dignity and position to which this branch of the company had attained. It was to this very office that the company moved its headquarters in 1899 when the decision was made to forsake Hamilton as a head office, for the Ontario capital.

In this present day and generation, the name of Cox is perhaps the most outstanding in the company's annals, for the young agent who joined in 1861 rose steadily up and up the company's corporate ladder and in 1899 became president of the company. He succeeded A. G. Ramsay, who retired in that year, having served the company magnificently in the position of manager, managing director and president, respectively. Mr. Ramsay came to the company in 1859 from Scotland, where he had been secretary of the Scottish Amicable Assurance Co. He assumed the position of manager, which had been vacated when John Young, who then held that post, was appointed president on the death of the founder and first president, Mr. Baker.

Since the turn of the century, when Senator Cox assumed the office of president, the company's progress has been remarkable and in keeping with the growth of life insurance as a national institution. In 1903 the company entered the British field and now has a splendid record of successful operation to its credit in that field.

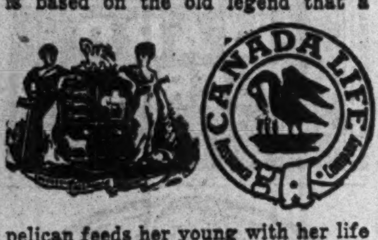
In 1914, shortly before his death, Senator Cox turned the active administration of the company over to his eldest son, E. W. Cox, who had practically grown up in the Canada Life having become connected with the general agency at Peterborough in the early eighties. Unfortunately, his incumbency of office was of short duration, for within six months he died, after a brief illness, and the responsibilities of office were ably assumed by Herbert C. Cox, who remained president for fourteen years until 1928 when, at his own request, he was relieved of the responsibility and was appointed chairman of the board, being succeeded by Leighton McCarthy, K.C., distinguished general counsel for the company for many years and latterly vice-president.

These then are some of the outstanding facts in the early history of this very honorable and successful corporation which has now achieved its first billion dollars of life insurance. The Canada Life is to be congratulated on its very distinguished achievement after so many years of service to Canada and life insurance.

Weird Legend Back of Crest of Canada Life

The Canada Life—Canada's newest billion dollar life insurance company—has a most peculiar crest on its coat-of-arms.

It is the Ancient Emblem of the Pelican, an insignia rich in history and tradition, especially in the older countries of Europe. As will be seen in the reproduction shown here, the crest depicts a pelican sitting on her nest and feeding her young with drops of blood from her breast. It is based on the old legend that a pelican feeds her young with her life blood, a legend of very great antiquity and unknown origin. The legend popularly runs thus: "And the Pelican turneth her back against her breast and therewith pierces it till the blood gushed out, wherewith she nourisheth her young." Thus the figure of the pelican feeding her young has long been an emblem of love and protection and when the Canada Life was incorporated in 1847 it was adopted almost immediately as an emblem or crest.



As a matter of fact, according to the company's historian, it is an entire fallacy to suppose, as runs the legend, that the pelican pierces her breast to feed her young. The pelican has a hooked beak for catching fish which when caught are placed in its pouch and from there fed to the young. The pelican's breast is naturally flecked with red, which fact, together with the very natural possibility that her breast might be smeared with the blood of the fish she had caught and put into her pouch, is undoubtedly what gave rise to the legend.

The company's complete coat-of-arms, which is surmounted by the pelican crest, was adopted very early in the company's history and appears in its earliest annual reports. Embodied therein is the motto, "Concordia res parvae crescunt," which being interpreted reads, "Where harmony exists, small things grow great."

INSURANCE SALES FOLLOW CLOSELY TREND DURING '29

June Figure 1 Per Cent Above 1929—West Still Off

After getting off to an exceedingly poor start in January of this year, sales of life insurance as measured by the Sales Research Bureau of Hartford, have run remarkably close to the 1929 figures for the first half of 1930. The June figure rose 1 per cent above that of June, 1929, as compared with a decline of 3 per cent on the same basis, in May. The actual figures were $55,355,000 for June, 1930, and $54,700,000 for June, 1929. Total sales for the first six months now stand only 2 per cent below 1929.

Whether or not the June upturn will be sustained is still uncertain. Reports from all provinces with the exception of Alberta and Saskatchewan were decidedly encouraging, Prince Edward Island proving the banner province with a gain of 153 per cent over June, 1929. The exceedingly small volume of business written in this province, however, offsets the remarkableness of the gain.

June Figures Compared

The following figures show life insurance sales for June, as reported by the Bureau, together with the ratio of sales in June, 1930, as compared with June, 1929, and the ratio of sales in the first six months as compared with sales in the past six months.

	June Sales	Ratio June '30 sales to June '29	Ratio 1st. 6 mo. 1930 to 1929
Alberta	$3,227,000	89%	86%
Br. Columbia	4,036,000	106	104
Manitoba	3,589,000	106	94
New Brunswick	1,225,000	116	105
Nova Scotia	1,866,000	108	97
Ontario	22,394,000	102	98
P.E.I.	320,000	153	115
Quebec	15,208,000	105	104
Saskatchewan	3,036,000	78	81
Canada, Total	$55,355,000	101%	98%
Newfoundland	$454,000	80%	93%

Analyzing these figures it is found that sales for the first six months of the year are 2.1 per cent below the same period in 1929, which shows some improvement over the situation a few months ago. The two most important provinces as far as volume is concerned are Ontario and Quebec. In the former province, six months production is down 2 per cent from last year, which may be considered a normal showing in view of general conditions, while in Quebec a gain of 4 per cent over the first four months of 1929 has actually been recorded.

The west is of course the weakest spot in the Canadian picture, the three Canadian prairie provinces showing a decline of 13 per cent from the first six months of 1929. In the Maritimes, Nova Scotia has followed the normal trend with a decline of 3 per cent while gains have been registered in both New Brunswick and Prince Edward Island.

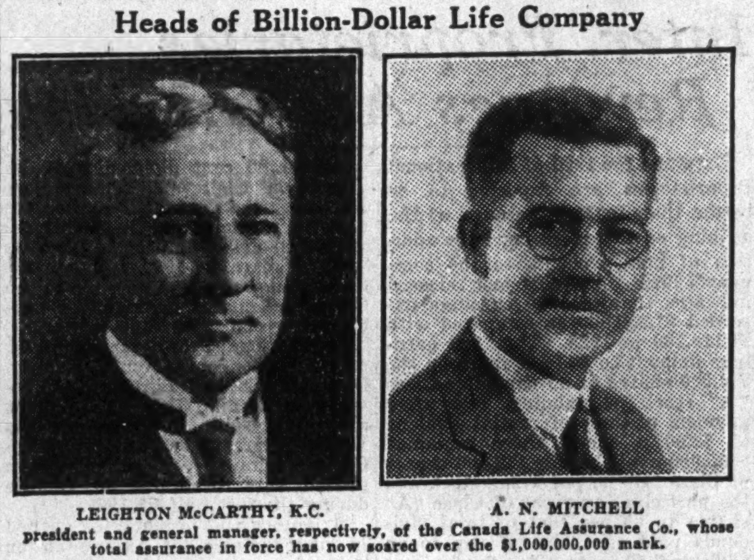
The Sales Research reports include 15 Canadian companies which had in force 84 per cent of the total business in Canada as at January 1, 1929.

Statistical Committee To Meet at Toronto

A meeting of the committee of automobile underwriters appointed to discuss the new statistical plan of the Canadian Automobile Underwriters' Association, has been called for July 24, at the Parliament Buildings, Toronto.

The committee will discuss recommendations of Messrs. Woodward, Fondiller and Ryan, consulting actuaries of New York, who have been examining this plan.

Heads of Billion-Dollar Life Company



LEIGHTON McCARTHY, K.C. A. N. MITCHELL

president and general manager, respectively, of the Canada Life Assurance Co., whose total assurance in force has now soared over the $1,000,000,000 mark.

Life Insurance Sales in Canada*

	1925	1926	1927	1928	1929	1930
January	$30,838,000	$33,907,000	$36,986,000	$47,569,000	$50,575,000	$46,788,000
February	28,698,000	34,744,000	35,525,000	39,962,000	47,443,000	45,499,000
March	35,001,000	40,483,000	42,883,000	44,823,000	49,406,000	50,327,000
April	38,872,000	37,346,000	41,631,000	46,718,000	53,333,000	52,708,000
May	34,377,000	37,703,000	44,553,000	49,581,000	51,283,000	50,085,000
June	42,307,000	44,634,000	45,298,000	51,844,000	54,700,000	55,355,000
July	37,671,000	40,101,000	39,962,000	49,492,000	56,078,000	....
August	31,724,000	36,010,000	38,360,000	48,503,000	42,463,000	....
September	33,543,000	34,878,000	35,000,000	38,872,000	43,911,000	....
October	36,259,000	40,226,000	48,104,000	55,743,000	52,985,000	....
November	36,760,000	44,251,000	44,935,000	54,865,000	56,673,000	....
December	41,822,000	46,777,000	48,899,000	56,647,000	55,350,000	....

Total 1st 6 months, 1930 .... $300,762,000

Total 1st 6 months, 1929 .... $306,740,000

Decrease 2% $5,978,000

Increase, June, 1930, from June, 1929, 1% $655,000

*Companies having in force 84 per cent of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

INTERNATIONAL MEET HAS FINE PROGRAM

List of Speakers For Life Convention is Announced

Many outstanding personalities in the life insurance world will address the International Convention of Life Underwriters when they meet in Toronto on September 24, 25 and 26. The list at present is somewhat tentative, but embraces some of the most important life insurance experts on the continent. Leon G. Simon, of New York, is chairman of the programme committee and J. G. Taylor is vice-chairman.

The following is the tentative list of speakers:

R. C. Borden & A. C. Bussey—Associate professors of Public Speaking, New York University, N.Y.

Louis M. Crandall — Special agent, New England Mutual Life Insurance Company, Norwich, Conn.

William F. Deneen—Educational director, Mutual Life Insurance Company of New York, Chicago.

Clyde F. Gay—Assistant superintendent of agencies, Aetna Life Insurance Company, Hartford, Conn.

Chas. C. Gilman — Agent, National Life Insurance Company of Vermont, Boston, Mass.

Earl G. Manning—Agent, John Hancock Mutual Life Insurance Company, Boston, Mass.

Clay Hamlin—General agent, Mutual Benefit Life Insurance Company, Buffalo, N.Y.

Dr. S. S. Huebner—Dean of the American College of Life Underwriters, Philadelphia, Pa.

Roger B. Hull — Managing director and general counsel National Association of Life Underwriters, New York.

Jas. E. Kavanagh—Second vice-president, Metropolitan Life Insurance Co., New York.

L. N. L'Espérance — Imperial Life Association Company, Montreal.

J. J. Leddy—London Life Insurance Company, Saskatoon.

John G. Lonsdale—President, Trust Company Division, American Bankers' Association, New York.

A. N. Mitchell — General manager, Canada Life Assurance Co., Toronto.

John Morrell — Associate manager, Equitable Life Assurance Society, Chicago.

John A. Stevenson — Manager, Penn Mutual Life Insurance Company, Philadelphia, Pa.

W. W. Swanson—Professor of economics, University of Saskatchewan.

J. F. Weston—Managing director, Imperial Life Assurance Co., Toronto.

SUPERINTENDENTS FIX TENTATIVE AGENDA

Provincial Officials Plan Busy Session at Edmonton

Many important subjects will be discussed when the thirteenth annual conference of the Association of Superintendents of Insurance of the Provinces of Canada is held at Edmonton, on August 25, 26 and 27. A party from eastern Canada who will attend the conference are taking a boat trip to Fort William and will spend the week-end preceding the conference at Jasper Park Lodge.

The following are some of the main items in the tentative agenda as announced by R. Leighton Foster, secretary of the association:

Statutory Conditions in Life Contracts:

Report by special committee (British Columbia and Saskatchewan) appointed at 1929 conference:

(a) to examine into the suggestions made at the conference that such provisions as are contained in section 126 of the B. C. Insurance Act may need amendment and in what respects;

(b) to study the provisions relating to disability insurance which the National Convention of Insurance Commissioners decided at their meeting in Toronto should be put into effect and to prepare for the next conference a draft of such provisions as may appear suitable for adoption by this association;

(c) to examine into the questions raised by the report regarding Section 31 of the B. C. Insurance Act, and if it appears that such provisions are inconsistent with the disability and double indemnity policies in use in Canada, to propose amendments thereto;

(d) to ascertain what power exists under the insurance acts in force to promulgate any such provision as is mentioned above by way of regulation, and if necessary to draft a section conferring such power.

Presented by Messrs. Garrett and Fisher.

Fire Insurance Legislation:

General review of provincial fire legislation with particular reference to newly-enacted Nova Scotia fire insurance legislation.

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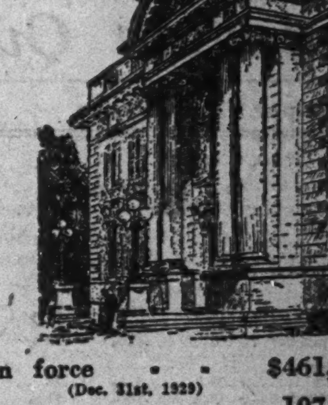

Assurances in force (Dec. 31st, 1929) . . $461,310,653
Total Assets . . . 107,408,986
Surplus Earnings (1929) . 5,043,035
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Current Events in Banking World

MONTREAL BANK LOSES APPEAL ON BONDING CASE

Exceeded Authority in Dealing With Defaulting Company Accountant

From Our Own Correspondent

MONTREAL. — The Bank of Montreal was unsuccessful in its appeal of a judgment of the Supreme Court of Canada, awarding the Dominion Gresham Guaranty & Casualty Co., $7,565, the amount of money involved through a series of defalcations committed by Kenneth V. Rogers, accountant of Willis Faber & Co. of Canada, Ltd., who had been bonded by the Dominion Gresham.

The judicial committee of the privy council upheld the judgment of the Supreme Court of Canada, and costs were awarded to the respondent company in all courts.

This case has been followed closely in banking and financial circles, as the final judgment has an important bearing on other cases which awaited the result of the present appeal.

Dates Back to 1922

In view of the interest in this case, a detailed account of the litigation follows:

Willis Faber & Co. were customers of the Bank of Montreal and Rogers was one of their signing officers and was in the habit of precuring from the bank foreign drafts to pay accounts due principally to New York creditors. The drafts were purchased by means of cheques payable to the Bank of Montreal and signed by Rogers and another signing officers of Willis Faber & Co. Rogers, who was in charge of the books, accounts and financing of the company, would go to the bank and secure a draft in favor of the creditor named by him. When this practice had continued for several years Rogers began a series of representations to the other signing officers of the company to the effect that drafts for creditors were required to be paid from time to time and would present a statement showing the customer's indebtedness. Upon these representations he would procure the second signature, take the cheques to the bank, and in his own hand, write out requisitions for drafts in his own favor, which the bank gave him in exchange for the cheques payable to its order.

By January, 1922, Rogers had got in so deep he could not longer falsify the books. He left the city suddenly and has not been heard from since.

Resisted the Claim

Willis Faber & Co. had bonded Rogers with the Dominion Gresham Guarantee & Casualty Co. and a claim was entered for the amount of the policy. The insurance company resisted the claim on the ground that the frauds had not been perpetrated upon Willis Faber & Co. but upon the bank and that it was not the customer's money but the bank's money that had been stolen.

Justice Martineau, of the superior court, before whom the issue was first tried, found that although the bank might have been negligent, the frauds were perpetrated within the terms of the policy. The court of appeal concurred in this finding. The insurance company then paid the amount of the claim, took subrogation of Willis Faber & Co's. rights and sued the bank for the amount of the loss. Justice Duclos, of the Superior Court, dismissed this action and his decision was confirmed by the court of appeal, the issue in both courts resting on whether the bank was bound strictly by the terms of the agreement with the company, whereby Rogers was given power to sign cheques with another officer but no power to nominate payees of drafts.

Crown Trust Appealed

After the Dominion Gresham Company had appealed to the supreme court of Canada it went into liquidation and the Crown Trust Company, named liquidator, carried on the appeal, which was successful. The majority of the judges found that the customer's authority to the bank was limited.

Special leave to appeal to the privy council was secured by the bank and the appeal was argued in June last before Lord Chancellor Sankey and Lords Blanesburgh, Russell, Tomlin and Darling. Last week the judicial committee advised his majesty that the bank should be held liable toward the Dominion Gresham Guarantee & Casualty Company and Crown Trust Company, liquidator, in full amount claimed, with costs in all courts.

The committee found that the resolution as to the signing of cheques by two officers, of whom Rogers was one, having been delivered to the bank, constituted a limited authority to the bank to deal with the customer's funds; that the cheques so delivered to the bank constituted only authority to the bank to hold the funds represented by the cheques for further orders from the customer; that the bank had no corporate authority from the customer to take Roger's statement or his written instructions in the form of requisitions as to the making of drafts in favor of anybody, whether creditors of the customer or not.

Bank Took Chance

It was held further that each time Rogers requested a draft in favor of somebody other than the customer itself the bank took its chance if it chose not to enquire if such authority were actually vested in him, and that Rogers had exceeded his authority each time he presented a cheque and asked for a draft. A flagrant excess of authority existed, moreover, when he asked for and received drafts payable to himself; there was never any authority vested in Rogers, actual or apparent, nor did the customer by any corporate act represent or hold out to the bank that Rogers had any such authority. As to ratification, there could be no such thing as neither the customer nor its auditors had any suspicion or grounds for suspicion that frauds were being perpetrated. The company could not ratify something it knew nothing about.

Weekly Bank Clearings

Eastern Cities

	July 20, '29	July 17, '30
Halifax	$ 3,778,832	$ 3,389,605
Moncton	1,020,268	1,068,293
Sherbrooke	973,706	923,934
Quebec	7,152,999	7,293,493
Montreal	155,984,703	147,800,510
Ottawa	8,888,234	7,686,313
Kingston	1,047,493	809,094
Peterboro'	873,978	1,052,990
Toronto	139,513,336	111,942,066
Hamilton	16,444,643	5,512,610
Kitchener	1,232,299	1,259,404
London	3,659,034	3,020,340
Chatham	670,016	641,762
Saint John, N.B.	......	2,550,082
Brantford	1,618,820	1,006,869
Windsor	6,404,930	4,602,909
Sudbury	......	1,267,182

Western Cities

	July 20, '29	July 17, '30
Fort William	$ 1,580,605	$ 869,804
Winnipeg	90,874,292	46,787,944
Brandon	729,639	462,863
Moose Jaw	1,432,212	528,936
Medicine Hat	408,700	270,308
Prince Albert	488,933	425,195
Calgary	10,697,070	6,804,665
New Westminster	982,092	876,462
Vancouver	22,293,423	18,511,660
Victoria	2,991,377	2,586,054
Lethbridge	......	576,954
Regina	5,399,231	4,893,551
Edmonton	6,317,360	5,441,173

BIRD'S-EYE VIEW OF WORLD FINANCE

Brief, Intimate Glances at Trend of Things Economic

Prepared weekly by the Bankers' Bond Company, Toronto

Canada

Canadian markets during the past week have been irregular while the traders' index prices as furnished by the Dominion statistician for the 25 best selling industrial and public utility stocks on the Montreal and Toronto Stock Exchanges was 20.8 lower than for the previous week. Wholesale trade conditions were reported to be normal although demand for many staple lines are subnormal. Manufacturing operations are active for the time of year and car loadings show an advance of 10 per cent over the previous week. Reports emanating from the Maritime Provinces indicate trade conditions as fairly good there, while business activity in the prairies is reported as being from fair to poor. Prospects of the crop continues to be favorably commented upon although slight damage has been done recently owing to adverse weather conditions. At present Canada is shipping the bulk of wheat imported by Europe and during the past week a decline of over 5,000,000 bushels is indicated in the carryover of our surplus wheat. There appears to be a plethora of U. S. funds in Canada now while the Canadian dollar is at a premium in U. S. New companies to the number of 75 with an authorized capital of $10,263,250, were reported for the week ending July 16, 1930, as compared with 126 with a capital of $17,599,000 for the previous week, and with 161 with a capitalization of $49,155,332 for the corresponding week last year.

United States

During the period under review the New York market has been fairly steady, better support being given to the rails' group owing to the Interstate Commerce Commission's decision to establish increased rates on classified freight. Average for 50 industrials, 20 rails and 20 utilities show an advance of 5.1 for the week, 6.2 over a month ago and 57.5 below the corresponding period a year ago, but 20.7 higher than the corresponding period two years ago. Commodity markets have been mostly irregular and weak—copper declining to 11 cents a pound for export, which is the lowest price quoted since the war. Building contracts show a recession, while automobile output has also shrunk. General Motors sales were off 40 per cent during June. Money has been freely offered at 1¼ per cent while brokers' loans for the week show an advance of $40,000,000. A review of financial conditions in the various states tends to the belief that the distribution of new issues continues below normal, while the outlook for the future is considered as being generally fair. June business activity is reported as being 1½ per cent below the previous month but one-tenth per cent higher than the lowest figure recorded in 1924 which was during the month of July.

Compared with June 1, the business index for July 1, reveals an increase of 32 per cent in building, three per cent in railroad earnings, two per cent in bond sales, nine per cent in bills discounted and one per cent in monetary gold stocks held. Compared with the same month last year building shows an increase of 10 per cent, stock sales 11 per cent, bond prices 2 per cent, loans to members banks 1½ per cent, monetary gold stocks 5 per cent, commercial failures 14 per cent, anthracite coal production 2 per cent. All other subjects indicate decreases varying from 77 per cent in bills discounted, 47 per cent in brokers' loans and coffee prices to 4 per cent in bond and mail order sales. Increases in payrolls are indicated in the petroleum refining industry 1½ per cent, and slaughtering and meat packing ½ per cent. Decreases are given in the payrolls of all other industries from 34 per cent in carpet and rugs to 1 per cent in paper and printing.

United Kingdom

The past week's statement of the Bank of England shows a decrease of £1,500,000 in reserves against a proportionate increase in deposits. Bullion to the amount of £214,000 was released by the bank for shipment abroad. The proportion of the bank's reserve to liability is 1½ per cent lower than the previous week and stands at 44.37. England's reply to Briand's conception of the United States of Europe was diffident with reservations for reconsideration for it would seem as if this plan would be against the principles of the League of Nations. Germany on the other hand thought Briand's idea somewhat impracticable, whilst Italy's reply although domineering in tone was willing in participation. The lesser nations of Europe were readily acquiescent. Party politics have been conspicuous recently in decrying the benefits of intra-empire trade.

The revenue return for the first quarter of the current fiscal year, i.e., June 30, 1930, released by the British Government discloses the total revenue as being £2,179,674 higher than last year, while total expenditure is £9,401,896 higher. The return is in most respects a disappointment, for of the £40,000,000 budgeted for as the anticipated increased revenue only £1,500,000 have been obtained in the first quarter, on the other hand while £31,000,000 was provided as increased expenditures, already £9,500,000 have been spent. General revenue receipts have been maintained fairly well over last year, with the exception of those from stamps, income tax and surtax which have fallen below expectations. It would almost seem as if the financial inexperience of financial matters of the present government will be the main issue contributive toward the MacDonald ministry's downfall.

General

During the first half year of 1930, Germany continued to share with the rest of the world in recessive commercial conditions. Since to the settlement of the reparation, the external financial troubles were overcome while capital ceased to emigrate and foreign money rates, which were 3.9 per cent in 1927 and had increased to 6 per cent in October, 1929, again fell to 3.4 per cent in May, 1930. In all other aspects German economic statistics reveal tendencies similar to other countries. The index of industrial production, which had reached 109.1 per cent (1921—100) a year ago, has fallen to 84.6 per cent. There is no branch of industry which can claim to be an exception to this rule.

Increased Gold Reserves Cover Notes and Deposits

Gold held by the minister of finance against Dominion notes and savings banks deposits increased by some $700,000 during June according to a statement issued by the department as of June 30. Gold held amounted to $65,719,661 as against $64,948,331 on May 31. Notes in circulation amounted to $108,518,634 as compared with $108,389,260. Gold held against savings bank deposits decreased slightly to $2,507,374.68 from $2,535,299.39.

In addition to the $108,518,633.80 there were on June 30 Dominion notes amounting to $49,700,000 outstanding against approved securities, under the provisions of the Finance Act, 1923, and $16,000,000 issued under authority of chapter 4, Dominion Notes Act, 1915.

NEW YORK BUYS CANADIAN FUNDS NEAR GOLD POINT

Shipment of Bullion From U.S. is Considered Probable

The first shipment of gold of any importance since 1927 to reach Canada was shipped from New York by the Canadian Bank of Commerce on July 21 as a result of the comparatively high premium on Canadian funds in New York. On that date the dollar was quoted at 100.125 in terms of New York funds.

During the past week the Canadian dollar in terms of New York funds has reached the highest premium attained since November, 1928, and with quotations hovering about the gold point of 11/64 of one per cent over which shipments of gold may become profitable, it was considered possible that gold might be shipped from the United States to Canada this week or in the near future. New York dealers state that the exchange shows a remarkably firm tone.

Due to the cheap money rates now prevailing in the United States it is understood that the true point at which gold shipments to Canada from New York would be profitable is lower than usual and New York opinion appears to be that when the exchange rates near the gold point that shipments will be made quickly and especially since loss of interest will not figure as largely in calculations as usual and that the Canadian banks will be glad to secure any gold that is shipped.

Conditions are Changed

Conditions have been altered in exchange which are reflected in the present rates for Canadian dollars. Proceeds from Canadian bond flotations which were largely taken up in the United States are being received in Canada. The movement of Canadian grain brings a considerable demand in New York for Canadian exchange in payment for shipments of grain. The low interest rates prevailing in New York have resulted in a substantial reduction in the amount of Canadian money which was formerly loaned on call in that centre and the limited activity of the stock exchange has reduced speculative interest. The tourist season in Canada is now at its height and travellers are leaving a large amount of United States money in this country and this is also a contributing factor to the present premium on Canadian funds.

Near Gold Point

On Saturday, July 19, Canadian funds were quoted at a premium of 9/64 of one per cent in New York or but 1/16 of one per cent below the rate at which gold could be profitably shipped to Montreal under present conditions. At that time it was anticipated that quotations would hold firm during the present week with a possibility that an increase might be registered. It is stated that interest would be figured at 2 per cent for purposes of figuring costs of transportation and one day's interest would be lost from the time of purchase of gold at the Federal Reserve Bank of New York to the obtaining of a Canadian banking credit through the sale of gold in Canada.

Gold shipments from New York to Europe and Canada have been anticipated for some weeks and announcement has but recently been made of a shipment of $4,000,000 gold to France by Lazard Freres. This marks the first important consignment of metal to leave the United States since January, 1930, when a consignment of $8,497,000 was shipped. From late in October, 1929, to the January shipment a total of $73,893,000 left the United States. The recent shipment is considered to be the possible beginning of a considerable movement of gold to France.

In the Mail

U.S. Coins in Canada

Editor, Financial Post:—For some time I have been watching with interest the very large proportion of U.S. silver and copper coins in circulation here (St. Thomas, Ont.) as compared with our own, and believe it a fair inference that similar, though perhaps not quite so extreme, conditions exist throughout southwestern Ontario and possibly elsewhere in the Dominion.

As a very fair profit accrues to the Dominion through the coinage it occurs to me that it is desirable for the finance department, through and with the systematic co-operation of the banks to collect and deport a large share of this foreign coin for replacement of our own. If thoroughly done this might also have a slight effect on the erratic exchange situation.

As an illustration: my household is an ordinary one dealing with local merchants and market people. On looking into the family purse on two recent occasions I found the following coins:

	Canadian Coins		U.S. Coins	
	Pieces	Value	Pieces	Value
July 2	6	$0.42	16	$1.64
July 17 ...	3	0.12	16	1.72

Other tests have produced practically the same results.

I recall a number of years ago when the situation was not as extreme as at present the government and banks acted along the lines indicated with very satisfactory results. If my memory serves me correctly, the banks collected the coin and the finance department paid express charges to New York or some other exchange point. The subject seems to be of sufficient importance to be worth attention.

St. Thomas, Ont. "Subscriber."

Bank Chat

The Bank of Nova Scotia announces the following appointments: **E. I. Rodgers**, as manager at St. Catherine Street, Montreal, branch. Mr. Rodgers is succeeded as manager at Renfrew, Ont., by **W. R. Berford**, Toronto. **F. Davis** as manager at Carbonear, Newfoundland. **J. N. Adams** as acting manager at Spiritwood, Sask.

G. S. Hackland, formerly inspector for the Dominion Bank, has been appointed manager at Windsor, Ont., succeeding **Arthur M. Cowie** who has been transferred to head office in Toronto. Mr. Hackland is a former manager of the Saskatoon branch.

W. R. McKay, manager for the Royal Bank at Pincher Creek, Alta., for the past four years was honored recently, upon his departure for Innisfail where he is now manager, by the presentation of a handsome golf bag and a set of steel-shafted golf clubs.

Complete Analysis Given Of Responsibility Law Enforced By Manitoba

Following close on the heels of an excellent analysis of Ontario's new financial responsibility law, the Western Canada Insurance Underwriters' Association has issued this week a brief but thorough resume of the safety responsibility law which went into effect in Manitoba on May 1, 1930. This law applies to all automobiles, motor trucks, trailers, motorcycles and tractors and is intended to encourage safe and careful driving and to penalize reckless or careless drivers.

Under this law the operator's license and his motor vehicle registration will be suspended until the holder has given proof of his financial responsibility if any of the following offenses have been committed in Manitoba or in any other province of Canada or in any of the states of the United States; or, if he has not paid within thirty days any final judgment against him for damage caused to the person or property of another arising out of a motor vehicle accident, whether such judgment be rendered against him in Manitoba or in any other province.

List of Offenses

The folowing are the offenses mentioned in the Act:

Reckless driving if any injury to any person or property occurs in connection therewith.

Racing on a highway.

Failing to remain at or return to the scene of an accident.

Driving without a license.

Any criminal offense involving the use of a motor vehicle which includes any conviction for driving a motor vehicle while intoxicated or under the influence of liquor or drugs.

The suspension of an owner's registration will apply to all the cars owned by the offender.

Must Pay Damages

If damage be done to the person or property of others the operator's license or motor vehicle registration which has been suspended will not be restored until damages awarded by a court of Manitoba or in any other province have been paid. Payment of damages by installments may be authorized by the court in Manitoba which gave judgment. Proof of financial responsibility will also be required for the future.

A most important point is that the license and registration will remain suspended until the judgment rendered has been satisfied and the person give proof of his financial responsibility for future accidents. This may mean that unless an owner of an automobile is protected by an insurance policy he may be unable to pay off the liability incurred and thus be permanently debarred from driving.

Amount of Liability

The amount of proof of financial responsibility required is as follows:

Public Liability—For damages by reason of the death or personal injury to one person in any one accident, $5,000.

For damages by reason of the death of or personal injury to two or more persons in one accident $10,000.

Property Damage—For damage or destruction in excess of $100 to property of others, $1,000.

Interest and cost are additional to the above limits of liability.

Proof of Financial Responsibility may be given by either of the following methods:

(a) Filing of a policy of an authorized Insurance Company with limits of $5,000/$10,000 for Public Liability and $1,000 for Property Damage.

(b) Filing of bond of an authorized guarantee or surety company.

(c) Deposit of securities to amount of $11,000.

Insurance Incontestable

In the event of damage being done to another person or to property of another person, and judgment is obtained against the insured, the insurance policy issued is incontestable. And if through misrepresentation upon the application for such policy or in the event of a breach by the insured of any term, provision or condition of the policy which would relieve the insurer of liability, the insurance company must under the safety responsibility law, pay the damages to the persons injured up to the limits above named. But in such case the insurer shall have the right to recover from the person insured the amount so paid in liquidation of the damages for the injury he has done to the persons, or property of others.

Every motor accident in Manitoba must be reported to the police by the persons involved.

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The BRITISH AMERICAN OIL CO. LIMITED
Peerless, Super-Power and British American ETHYL Gasolenes - Autolene Oils

Dividend Notices

McIntyre Porcupine Mines, Ltd.

(No Personal Liability)

DIVIDEND NO. 47

Notice is hereby given that a dividend of five per cent. (5%) on the issued Capital Stock of the Company will be paid on the 2nd day of September, 1930, to shareholders of record at the close of business on August 1st, 1930.

By order of the Board.
BALMER NEILLY,
Treasurer.
Dated at Toronto, July 17, 1930.

DIVIDEND NUMBER 204

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED

A dividend of 1% on the outstanding Capital Stock of the Company has been declared payable on the 12th day of August, 1930, on which date cheques will be mailed to shareholders of record at the close of business on the 29th day of July, 1930.

Dated the 22nd day of July, 1930.
I. McIVOR,
Assistant-Treasurer.

George Weston Limited

Preferred Dividend Number 10

NOTICE is hereby given that a dividend of one and three-quarters per cent. for the three months ending 31st July, 1930 (being at the rate of seven per cent. per annum), has been declared on the 7% Cumulative Redeemable Preference Shares of the Company, and will be payable on and after August 1st, 1930, to the Preferred Shareholders of record at the close of business on the 19th day of July, 1930.

CHARLES W. KERR,
Secretary.
Toronto, 17th July, 1930.

Dominion Bridge Company Limited

Dividend Notice

A Dividend of Ninety Cents (90c) per Share has been declared on the No Par Value Shares of this Company for the Quarter ending 31st July, 1930, payable 15th August, 1930, to Shareholders of record at the close of business on the 31st July, 1930.

By Order of the Board.
F. W. EVENS,
Secretary.
Montreal, Que., 15th July, 1930.

The Royal Bank of Canada

DIVIDEND NO. 172.

NOTICE is hereby given that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday, the second day of September next, to shareholders of record at the close of business on the 31st day of July.

By order of the Board,
M. W. WILSON,
General Manager.
MONTREAL, Que., July 15, 1930.

Lake of the Woods Milling Co. Ltd.

DIVIDEND NOTICE

Notice is hereby given that a Dividend of 1¾% per cent on the Preferred Stock of the Company for the three months ending August 31st, 1930, be declared payable on Monday, September 1st, 1930, to Shareholders of Record at the close of business on Saturday, August 16th, 1930.

By order of the Board.
M. H. HUTCHISON,
Secretary.

Lake of the Woods Milling Co. Ltd.

Notice is hereby given that a Dividend of 80c per share on the Common Stock (of no nominal or par value) of the Company for the three months ending August 31st, 1930, be declared payable on Monday, September 1st, 1930, to Shareholders of Record at the close of business on Saturday, August 16th, 1930.

By order of the Board.
M. H. HUTCHISON,
Secretary.

THE CANADIAN BANK OF COMMERCE

Dividend No. 174

Notice is hereby given that a dividend of Three per cent upon the paid-up Capital Stock of this Bank has been declared for the quarter ending 31st August, 1930, and that the same will be payable at the Bank and its Branches on and after 2nd September next to shareholders of record at the close of business on the 31st July, 1930. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 18th July, 1930.

Consolidated Sand & Gravel Ltd.

Preferred Dividend No. 9

Notice is hereby given that a dividend of $1.75 (being at the rate of $7.00 per annum) per share has been declared on the Preference Shares of Consolidated Sand & Gravel Limited, for the period ending August 15th, 1930, payable August 15th, 1930, to shareholders of record at the close of business July 31st, 1930.

By order of the Board.
A. M. HARNWELL,
Secretary.
Toronto, Ont., July 21st, 1930.

Standard Paving & Materials Limited

Preferred Dividend No. 6

Notice is hereby given that the regular dividend of $1.75 (being at the rate of $7.00 per annum) per share, has been declared on the Cumulative, Convertible, Redeemable, Preferred shares of Standard Paving & Materials Limited, for the period ending August 15th, 1930, payable August 15th, 1930, to shareholders of record at the close of business July 31st, 1930.

By order of the Board.
N. C. SHIPMAN,
Secretary.
Toronto, Ontario, July 21st, 1930.

Standard Paving & Materials Limited

Common Stock Dividend No. 6

Notice is hereby given that a dividend of fifty cents (being at the rate of $2.00 per annum) per share, has been declared on the issued No Par Value Common Stock of Standard Paving & Materials Limited, for the period ending August 15th, 1930, payable August 15th, 1930, to shareholders of record at the close of business July 31st, 1930.

By order of the Board.
N. C. SHIPMAN,
Secretary.
Toronto, Ontario, July 21st, 1930.

Winnipeg Renters Few

The percentage of home owners in Winnipeg is 64 per cent, which, according to the Industrial Development Board of Manitoba, is one of the highest percentages on the continent. It compares with: Buffalo, 38 per cent; Baltimore, 58 per cent; Pittsburgh, 28 per cent; Cincinnati, 58 per cent; Minneapolis, 48 per cent and Toronto, 63 per cent.

BELL 'PHONE GAINS UNDER ESTIMATES

Easing of Business Has Influence on New Installations

WILL SHOW INCREASE

Share Earnings for Full Year May Not be as High as Reported for Last Year

From Our Own Correspondent

MONTREAL.—Progress of Bell Telephone Company of Canada for the first half year, while in a broad sense may be said to have been along lines experienced in the past few years, did not come up to expectations in net results.

The company has never followed the example of many other utilities in issuing interim statements of earnings, but in the expansion or contraction of physical equipment a fairly close estimate can be had of operations.

While no definite figures are available, it is learned that the number of new installations installed for the first half of this year has been rather above the estimate. On the other hand, there has been a larger percentage of take-outs than usual, thus reducing the net increase.

This is not surprising in view of the general unsettlement of business in Ontario and Quebec. The decline in Montreal and Toronto brokerage business, for example, has had its effect on toll traffic and the number of telephones in use. In some offices, installations are numbered by the dozen and when economies are suggested, fewer telephones are used.

Toronto Good Example

The number of telephones in use, however, is constantly increasing. On June 30, 1930, the Toronto division of the Bell Telephone had 204,201 telephones installed. Of Toronto houses 80 per cent have telephones, and only purely residential cities such as Evanston, Ill., or Westmount, P.Q., surpass this record.

From present indications it is expected that the Toronto division will record a net increase of 8,500 stations this year. This is the smallest increase since 1921, the year of general business deflation. The company had estimated a net increase of 12,000. While disappointing, the increase is nevertheless considered satisfactory, in view of conditions. Last year the increase was 15,000 telephones, but 1,500 of those were accounted for by the Royal York Hotel.

The situation in Toronto as regards additional new stations is largely a reflection of conditions in other areas served by the Bell Telephone Company. The point should be borne in mind, that the number of telephones in use is steadily increasing, though the gain this year is not as large as had been anticipated earlier in the year.

Toll Traffic Easier

Long distance toll traffic, which has been a feature of the company's operations of late, has slowed down this year. The number of calls this summer has been satisfactory, but the ratio of increase of other years has not been maintained. Here again inactivity of the stock markets has had its effect upon the long distance telephone communications. The slowing up of business is also another factor in holding down long distance calls.

This result is to be expected. Heavy capital expenditures by the company — over $10,000,000 this year—on additional equipment and lines for long distance traffic, is indicative of the confidence of the management in the growth of this department. Special efforts have been put forth by the company to poularize this method of communication and the results to date have been very encouraging.

Sell Auxiliary Services

Sales of auxiliary services have taken on a new importance, and the increase in business of this department has tended to offset the loss recorded in other branches. In this division the company is providing a service of stock quotations from the New York stock exchanges on the teletype. Up to date Bell Telephone has installed 11 teletypes in Toronto and 21 in Montreal, a gain of 32 for the year. The use of this machine is steadily growing, it being especially useful where speedy communication is desired between branch offices or offices and plant, etc.

Forecast of earnings this year at this point has little or no value. Revenues will undoubtedly be higher than in 1929, but on the other and, expenses will also be larger. In addition the company will have to meet heavier interest charges on its funded debt, an additional $7,500,000 of bonds having been sold in May, 1930, while another $5,000,000 was sold in February.

More Stock Issued

Share earnings will be affected by an additional 140,000 shares of common stock outstanding to over $75,000,000. This additional block of stock was offered in the form of rights to shareholders last August and participated in dividends after April 15, last.

There has been a limited amount of trading in the common stock of the company for some weeks past. It is now selling around 150, at which level it returns about 5 1/3 per cent. The sound investment merits of the stock are generally appreciated and buying is solely on investment account.

Business of the Bell Telephone Co. of Canada in Toronto district, judging by installations of new telephones to date, will result in an increase for the full year of 8.500 telephones. This information was secured by The Financial Post from W. J. Cairns, division manager in Toronto for Bell Telephone Co., and it indicates that, whatever has been happening to business in 1930, it has not reduced the necessity of communication among the citizens or their ability to pay for the service.

Both residential and business telephones have been increasing in numbers, and with 204,201 stations, each telephone representing a station, in the City of Toronto exchange area, Toronto still sustains its position as having the largest percentage of telephones to number of houses of any large city in the world. Of Toronto houses, 80 per cent have telephones, and only purely residential cities such as Evanston, Ill., or Westmount, Que., surpass this record.

Reflects Growing Population

"Do you consider this increase a direct result of increasing population and wealth?" Mr. Cairns was asked.

"Certainly there is a distinct relation in the increase in number of telephones to the increasing population of the city, but telephones nowadays tend to have a ratio of growth greater than the city's growth in population and in buildings. People in larger houses can no longer get along with one or two telephones, and according to size of the house and means of the resident, they will put in more telephones up to five or six because of the smoother and more efficient operation of the house personnel and for the sake of greater convenience for the family. The need to establish quick contacts is also leading to greater use of the telephone by business and industrial firms, and that means more telephones to a company."

Expected 12,000 Stations More

"How does the increase of 8,500 compare with other years?"

"It is the lowest increase since 1921, the year of general business deflation. It is good because it is an increase but it is disappointing because we had expected 12,000 for this year. Our estimates have to be made years ahead, and we keep adjusting them in accordance with events as they develop. Last year the increase was 15,000 telephones, but 1,500 of those were accounted for by the Royal York hotel. Naturally in this year of adjustment many telephones have been taken out but the new telephones put in will still result, according to the present rate of increase, in Toronto having in December 31 8,500 telephones more than on January 1."

"Is there any prospect that demand may drop off during the rest of the year?"

Will Gain More in 1931

"We do not see why it should," answered Mr. Cairns. "Reports from our staff, and they come into contact with everybody, indicate a growing feeling of confidence in business conditions and in the prospects of Canada for the future. Most business men are hoping for better business when the election is out of the way. They are inclined to feel that so much attention has been paid to the matter of business conditions in Canada that it has spread gloom far beyond what is justified, and that election day will put an end to gloom mongering. At least, that is the general tenor of reports brought to us by our outside staff."

"As the Bell Telephone estimates increase in telephones used for some years ahead, what do you expect the increase to be in Toronto in 1931?" asked The Financial Post representative.

"We expect the increase in telephones in 1931 to be 10,750," replied Mr. Cairns. "That is a measure of our faith in the continued growth of this city."

With respect to removals of telephones, The Financial Post understands that one spectacular move in this direction has been the wholesale removal of telephones from offices of brokerage concerns, mainly mining brokers, who in the flush market days needed many telephones. However, the demand from other kinds of business has increased and business telephones in Toronto showed an increase of 300 in the last six months in spite of the large drop in the total employed by brokerage firms.

Collections Keep Up

Mr. Cairns reports that collections are on a par with last year. As these collections touch 80 per cent of Toronto homes it is an excellent gauge of conditions.

The increase in telephones is in line to a certain extent with statistics of building permits issued in Toronto. In number these permits are on a par with 1929; 1,740 building permits being granted in the first six months of 1929 and 1,737 in the first half of 1930. The total value is $1,000,000 lower, but even there the advantage is with 1930 if the large increase made by permits for the Canadian Bank of Commerce and Canada Permanent buildings are deducted from last year's figures. June this year showed the highest total for any month in recent years, but it included some figures for the Canada Life's new building. The eastern district, which comprises all Toronto east of the Don River, has shown a considerable increase in building permits both as to number and value and also in number of telephones used.

Long distance messages fall below what was expected but they also are ahead of last year. More revenue from this source is expected as the company has gone to great expense to increase its facilities in this way.

Tax On Personal Income Would Solve Problems Of Provincial Finance

Present Sources of Revenue Have Proven to be Insufficient

ARE INELASTIC

Essay Submitted in Royal Bank Competition Outlines Plan of Federal Co-operation

By J. E. ROBBINS

Prior to 1913 provincial budgets balanced regularly; since then they have usually failed to do so. To examine the main trends of provincial finance in the latter period is to find the way to relief.

The increase in ordinary provincial expenditure in 1928 over 1913 was 210.7 per cent. Of this, approximately 30 per cent may be accounted for by the increase in population, and 50 per cent by the rise in prices. This leaves 130 per cent to be attributed to the broadening of old and appearance of new services of the provincial governments. Included in the 130 per cent is almost 20 per cent representing expenditure on public utilities which, in the long run, paid most of their own expenses. The remaining 110 per cent consists of added disbursements for services that were non-revenue producing, or only incidentally revenue producing, such as education. The increased outlay for education was more than 300 per cent; for maintenance of highways, more than 400 per cent; for interest charges on the public debt, more than 600 per cent; and such important new items as mothers' allowances and old age pensions had appeared.

Tax Systems Inelastic

The most flexible revenue system could not have been expected to adjust itself to these new and broader avenues of expenditure, though its yield might reasonably have risen in a proportion similar to that of population and prices. The provincial systems were so inelastic as to be incapable even of this.

The amount of Dominion subsidies was only 46.7 greater in 1928 than in 1913, whereas to have kept pace with population and prices an increase of 80 per cent would have been necessary. In the earlier year they constituted 23.8 per cent of all provincial receipts, in the later year only 10.3 per cent. In the prairie provinces alone, where a portion of the subsidies has been meant to take the place of receipts from crown lands, the drop was from 38.1 per cent to 16.8 per cent, and it is there, together with Prince Edward Island, where the public domain was alienated before the formation of the province, that the increasing inadequacy of these federal payments has been most keenly felt.

Resources Revenue Gain

Those provinces administering their own resources found them more responsive to increased demands than the western provinces found the Federal treasury, and were to this extent more fortunately circumstanced. In Manitoba and Alberta the receipts "in lieu of lands" were precisely the same in 1928 as in 1913; in Saskatchewan they had increased only one third. The five provinces controlling their own domain enjoyed an advance of 112 per cent in net receipts from timber lands and mines which, together, regularly produced more than four fifths of all revenue from crown lands. Superior as this percentage increase is to that of the subsidies "in lieu of lands," it is little more than one half the rate of increase in total expenditures.

A selection of the more important fees collected by all of the provinces in 1913 produced just under 10 per cent of all revenue then; in 1928 just over 3 per cent. Their absolute increase of 38 per cent contrasts sharply with the increase of over 200 per cent that would have been necessary to have enabled them to maintain their former relative importance.

"Tax-Farming" Unfair

The only taxes in general use prior to the Great War were succession duties and corporation taxes. These, being practically the only sources that permitted of substantial increases at the will of the legislatures, were tax-farmed to a disproportionate intensity to offset the deficiencies in other branches of the revenue systems. Inheritance taxes by 1923 in Mantioba claimed as high as 47 per cent of estates and were only slightly less in other provinces. Since then, a realization of the bar that this rate presented to the influx of English and United States capital for developmental purposes caused substantial reductions to be made, in which British Columbia and New Brunswick took the lead. But the yield is still a major component of revenues. Its uncertainty in any particular year makes a direct comparison between any two years apt to be misleading, but a comparison of the average yield in the years 1912 and 1913 with the average in 1927 and 1928 shows that it had increased 391 per cent,—a ratio almost double that of the advance in total expenditure. Similarly, the enhanced productivity of corporation taxes between 1913 and 1928 was over 400 p.c. Over and above this, the Dominion government received considerable sums from the taxation of corporations during this period. The prime object of all the taxing authorities seems to have been to obtain a maximum of revenue with a minimum of trouble and expense, and has resulted in the present heterogeneous and unscientific systems.

But such increases as these two taxes could be made to produce were quite incapable of maintaining the balance between receipts and expenditure, and it was realized that the tax systems would have to be broadened to correspond with the broadening fields of expenditure.

Land Tax Now Used

A land tax in some form has found its way into each of the nine systems, with the exception of Quebec. The four western provinces each use it in two or more forms, one levy in all cases but that of British Columbia being a supplement to municipal levies, and a second, invariably a tax on wild or unoccupied lands. The former must be regarded as a distinct encroachment on the field of municipal taxation justifiable only, if at all, as an emergency measure. The determination that the prairie provinces have expressed within the past year to follow in the earlier steps of Ontario and Nova Scotia by abolishing it, can only be applauded by all interested in a more equitable distribution of the tax burden. For the notorious over-taxation of land values in western Canada, beyond being an outrage to property holders, it has brought disastrous results in its train. The City of Vancouver now carries as much as $5,000,000 worth of property acquired through tax sales, while Toronto, with more than double its population, has on hand less than $250,000 worth. The wild lands taxes were introduced ostensibly for the purpose of reaching the unearned increments supposedly being gained by those who had bought land on speculation, with no immediate intention of bringing it under cultivation. But their use has frequently been abused, and too often for the absentee landlord, who was at one stroke called upon to bear the capitalized value of the tax, it has meant confiscation.

Aside from the taxes that have found a place in all of the nine provinces, many others are in use in one or more while still others, such as the Grain Futures' Tax in Manitoba, have been tried and proven ultra vires the province. There is British Columbia's present poll tax dating from 1917 collectible from males over eighteen years of age, with certain exemptions, and the road taxes in the Maritimes of a similar nature. Prince Edward Island and British Columbia still cling to a personal property tax despite the recognized impossibility of equitable apportionment. Manitoba, British Columbia and Prince Edward Island each have an income tax duplicating in a measure that of the Dominion government. And so might be continued the list of minor levies, the unfairness or ineconomy of which prima facie condemn them, but in which all of the provincial legislatures, excepting those of Quebec and Ontario, have sought relief in their insistent need and limited opportunity of obtaining further springs of revenue.

Deficiencies in Tax Systems

The deficiencies in provincial systems that have appeared in the foregoing examinations may be briefly stated:

1. Sources of revenue have been insufficient. Budgets have more often than not failed to balance since 1913.

2. This has led to the adoption of taxes that are unfair to certain classes of taxpayers. Most of the provinces at some time in this period have been forced to penalize land owners by means of a supplementary municipal levy or other form of land taxation. In the western provinces these still flourish. In three of the provinces, income is subject to double taxation.

3. Certain sources are unreliable, notably the liquor traffic, the largest single source of receipts in most of the provinces, constituting over 15 per cent of the total in 1928. Further, the gasoline tax might be proven unconstitutional.

4. The high proportion of Dominion subsidies, income from natural resources, licenses and fees to the total make the systems relatively inflexible or independent of changing expenditures.

Need New Sources of Revenue

From this it is evident that what is needed to offset in a measure the shortcomings of the systems as they now exist is an additional source or sources of revenue that will be sufficiently lucrative to balance provincial budgets even after certain taxes now in use have been abandoned, that will be reliable, that will be self-adjusting to changes in the value of money and population, and that will be readily adjustable to the changing demands arising from other causes.

That such a panacea is not to be found among the revenues now at the disposal of the provinces may safely be inferred; otherwise they would have availed themselves of it before now. The whole tendency has been to seek increased increments from existing sources and to make trial of any new avenues that seemed promising, until the possibilities in these directions have well nigh reached exhaustion, but the area of their search has been closely circumscribed by a power beyond themselves. From the time of their constitution they have been limited to the field of direct taxes, licenses and fees within their boundaries, and since the pressing exigencies of federal war finance arose the Dominion has persistently encroached upon this sanctum by seizing and retaining the income tax. It is as far beyond the power of the local authorities to forcibly dislodge their sovereign power from this position as to compel it to substantially increase their subsidies—which might be considered an alternate solution, but when awakened to the urgency of local needs it is not unreasonable to expect that some concession will be voluntarily, though perhaps reluctantly made, as recent utterances of the Minister of Finance have shown.

Income Tax Suits Need

It is clear enough that relief must come through the Dominion government. Past experience with subsidies justifies considering them only as a final resort. Their complete inflexibility is sufficient to condemn them, and they further fail to conform to the accepted maxim of public finance that the spending should, wherever possible, be also the taxing authority. The income tax, on the other hand, conforms admirably to the fundamental requirements of the local legislatures. It is at once reliable, flexible, and highly productive. Its yield of $56,571,047 to the Federal Treasury in 1928 is probably much more than the sum required to remedy the shortcomings of the nine provincial budgets totalling $168,109,505.

But to acknowledge that use of the income tax offers the best solution for the difficulties of the provinces is not to admit that it should without qualification be granted to them. There is the need of the federal exchequer to consider, and it embodies very good reasons why the Dominion should not completely relinquish its hold.

1. More than four-fifths of federal revenue is regularly accounted for by taxation, and of this the income tax in the last five years produced 16.2 per cent. The loss of a source that has attained this importance could not be undergone without some major compensating adjustment, even though the Federal treasury has in the last five years enjoyed successive surpluses over expenditure on consolidated fund and capital account aggregating 57.7 per cent of the revenue from the income tax.

2. The tax on incomes gives a much needed balance to the Dominion system. Without it, federal taxes are almost entirely commodity taxes and as such operate regressively on smaller incomes, while it operating progressively counteracts this tendency and makes the whole system conform more nearly to the criterion of ability to pay.

3. The elasticity of the income tax is required in central as well as in local circles. The complete inability of the customs and excise, being mainly specific duties, to meet a critical situation in federal finance was amply demonstrated during the world war. In spite of repeatedly enhanced rates between 1913 and 1919, their yield was augmented only 33.1 per cent, while prices had more than doubled. English and other experiences, as well as our limited experience in this country, has shown the income tax to be vastly more responsive to changing requirements whether of a revolutionary character, as in the case of the war, or of only moderate dimensions.

4. Its use ensures a lively public interest in federal finance that acts as a wholesome check on extravagant expenditure of the nature that occurred in the decade preceding the war when, due to the complete preponderance of indirect taxes, people as a whole were quite oblivious to the weight of the tax burden.

It is to be admitted that both provinces and Dominion have strong claims to this coveted engine of revenue, but this, per se, demonstrates that neither party has an exclusive claim and suggests that in division of spoils may lie the fairest basis of settlement. That the Dominion could manage with only a part of it is intimated by the fact that a sum representing over one-half of it has in the past five years appeared as surplus and been applied to the reduction of debt. That the provinces do not require all of it is indicated by the fact that if used by them to produce as much as it now does for the Dominion it would enhance their revenues to the extent of one-third.

Could Divide Income Tax

Income tax practice in other countries demonstrates two feasible methods for division of the tax between central and local authorities. To be feasible, sharing of the proceeds must be not only administratively expedient, it must be conducted pro rata so that it will not be in effect an extension of the present subsidies.

1. The provinces might be permitted to levy supplementary rates to the present Income War Tax, the Dominion if necessary to avoid over-taxation. reducing existing rates but continuing to collect all of the revenue passing on to the provinces the amount produced by the rates they prescribe. Such an arrangement, though foreign to Canada, has long been common to Continental Europe. L'impôt direct in France has been subject to the additional centimes of the departments and communes since the time of the Revolution. and Prussian local additions have been made to the state income tax since early in the last century. Certain advantages might be claimed for the adoption of a similar policy in Canada, not the least being that it would make possible adoption of a uniform Dominion-wide tax on corporation earnings, similar to the present tax in British Columbia; collected by the central government, with the provinces levying supplementary percentages to take the place of the diverse and unscientific corporation taxes that are now used. Lack of familiarity with it in this country, however, prejudices public opinion against it and, as will appear below, the alternate plan does possess a distinct advantage.

2. The income tax field might be divided, the Dominion retaining the right to tax either the earnings of individuals or of corporations, and granting to the provinces exclusive right to the other. This method embraces the solution finally (1927) adopted in Australia in solution of the conflicting claims of Commonwealth and states to the income tax there. The Commonwealth retained the right to tax the earnings of companies up to the limit of 2s. 6d. in the pound, and granted to the states exclusive use of the tax as it applied to individuals.

Along with adoption of the same plan in Canada might go the needed reform in treatment of dividend income. Under existing legislation the income of corporation shareholders is taxed twice, first at the source at a flat rate of 8 per cent and again as part of the recipient's income. This means that before he receives it, no matter how small the amount, he has in effect paid income tax on it at a rate as high as is paid on an income of almost $19,000 from another source. On incomes of small or moderate size this is sufficient without paying still more after he receives it. A simple remedy is suggested by federal income tax practice in the United States where dividend incomes are exempt from the normal application of the personal income tax. To avoid taxing all dividend incomes, large and small, at the same rate they are included in personal income for the purposes of a super tax, the exemption limit for which is chosen with due regard to the rate of the tax on corporation earnings. The adoption of this policy in Canada would involve a reversion to the practice prior to 1926 when two distinct levies on individual income were collected, the normal tax and surtax, in place of the present single graduated scale.

Corporation Tax Greatest

Even if treatment of the two classes were altered in this matter, the wisdom of confining the provinces to one and the Dominion to the other might still be questioned. Under the present arrangements, about 60 per cent of the revenue from income tax is collected from corporations. Should the double taxation now practised be abolished, this proportion would be increased. If experience of the past is to be repeated the percentage would be further raised by the increasing relative importance of corporate capital. In the years 1921 to 1926, when all Dominion income rates remained substantially unchanged, the proportion of corporation taxes to the total advanced regularly, averaging about 1.5 per cent annually. Allowing for these two adjustments it seems reasonable to expect that within a very few years corporations will be productive of two-thirds of all income tax revenue unless some drastic alteration is made in the rates of either corporation or personal tax and not in the other. This in turn is not to be expected, since changes in recent years have affected each in very nearly equal proportions.

That the tax on corporate income would admirably suit the requirements of the provinces is obvious from a recognition of its tendency to increase in both absolute and relative importance each year. By so doing, it would tend to keep pace with expanding provincial functions. But the several legislatures, with local jurisdiction only, are generally conceded incapable of efficiently administering a tax on company income. Only the central government can adequately keep vigil over these increasingly cosmopolitan bodies, and it should continue to collect the tax. Further, since the ramifications of the business of corporations, much more generally than in the case of private persons, extend over most of the Dominion, the country as a whole should benefit from their contributions to the purposes of state. Add to this the consideration that there is no likelihood of the Dominion expressing a willingness to sacrifice the entire revenue from this source, and discussion of this method of dividing the income tax field becomes folly.

Tax on Personal Incomes

The argument that the Dominion should grant to the provinces the sole right to tax personal income took its rise several years ago when corporate income accounted for 50 per cent or less of total income tax receipts, and on the surface seemed a plausible means of meeting the seemingly equally strong claims of provinces and Dominion. It now appears that this solution would ensure the Dominion much the better of the deal. The provincial field would be distinctly the smaller from the outset and would decline in relative importance as time passed. Bearing this in mind, together with the fact that in the last eight years since the value of money stabilized, provincial disbursements have increased more than 60 per cent—while the federal government has had no pronounced increase—it might be inferred that. given a continuation of this tendency for a few years, the provinces would again be seeking from the Dominion further extensions of their privilege.

But what is true of the nine provinces collectively does not hold for more than four when viewed singly.

The foregoing discussion has shown that it is in these provinces, together with Manitoba and British Columbia the need for further revenues is most pressing. Quebec and Ontario, with their more remunerative natural resources, may well be satisfied with the tax on individual earnings, though it is distinctly the less lucrative portion of the tax within their boundaries, and this, more certainly since, as the table shows, it is capable of augmenting their revenues about 20 per cent. This leaves only Manitoba and British Columbia with a plausible grievance. That it could be overlooked is suggested by consideration of the extent to which the tax as now used by the Dominion would enhance their revenues,—10.8 per cent and 6.5 per cent respectively, each being distinctly higher than the corresponding proportions in the Maritimes, Saskatchewan and Alberta. In these five, the percentages are too low to promise a panacea for provincial finance, but high enough to provide substantial relief. There is reason to believe, too, that the tax might be made more productive without serious injustice. A comparison should not be pressed too closely, for no tax can be juddged apart from the system of which it is a part, but it may be pointed out that in Australia the combined Commonwealth and state income tax per capita in 1928 was the equivalent of $21.37 which compares with the Canadian federal tax of $5.86.

Tax Division Feasible

It is the difference in relative weights of the two parts of the tax within the various provinces that makes a division of the field preferable to the method of supplementary rates. By adopting the division of sources the Dominion would retain about 60 per cent of its present income tax revenue, and at the same time would grant to five of the provinces more than 50 per cent of the tax that is now collected within their borders. Moreover, it is in these five that the greatest share of the total would be required in order to increase their present provincial revenues considerably. To produce a result as satisfactory for them by supplementary rates the Dominion would have to forego over 50 per cent of its present revenue, since it would have to use the same rates for federal purposes in all provinces. This loss of 10 per cent or more, representing in 1929 about $5,000,000, would be quite unnecessary since the four provinces that would benefit would not require the additional revenue placed at their disposal—for the tax on individual income, even though the smaller part within their borders, is capable of augmenting their receipts in greater ratio than the receipts of the five where it is the larger part. Division of the field, then, offers the obvious advantage of giving to six of the ten parties concerned the more remunerative part of the tax. Considering the loss that the Dominion must inevitably suffer by either concession, it and these five provinces—which are those where the greatest proportion of the income tax is required—may very appropriately reap the benefit of the peculiar territorial distribution of the two classes of income. This more certainly since, apart from considerations of convenience for the taxing authorities concerned, there is the important practical fact that the taxation of income is likely to be most nearly uniform in all of the provinces when those in which the need is greatest have the most fruitful source to cultivate.

It has now been shown that a genuine need exists in provincial circles for further springs of revenue, and that the need can most satisfactorily be met by granting to the provinces exclusive use of the tax on individual income. Whether they or the Dominion collect, it is optional; that the latter could do it more economically and efficiently is probable, if not a foregone conclusion.

FEWER BANK SUSPENSIONS IN U.S.

Banking suspensions in the United States for the quarter ended June 30 as compiled by R. G. Dun & Co., show a decrease in number but at large increase in liabilities as compared with the corresponding quarter of 1929. During the last quarter 134 banks suspended payments, or 14 less than the same period of 1929 but liabilities increased to $81,712,496 from $54,457,541.

LARGER ACREAGE AT LOWER PRICES BEST FOR CANADA

Large-Scale Wheat Production Necessary on Close Margin

That the business of wheat-growing in Canada would benefit most by maintaining large acreage for cultivation, and selling it at a close margin, rather than reducing acreage, is the conclusion drawn by a survey of the Canadian wheat situation made by Bankers Bond, Ltd., of Toronto. The value of wheat in the past 21 years has meant more than $9,500,000,000 to Canada, over $6,000,000,000 of which has been realized from abroad, and it is therefore in the nation's interest, says the survey, to continue this international trade on as large a scale as possible, in spite of the fact that considerably lower prices are forecast for wheat during the next decade than have prevailed in the past ten years.

The average price for Canadian wheat during the past 21 years was $1.51 per bushel (No. 1, Northern at Winnipeg) and the average production for this period, 297,000,000 bushels. In 1909 when Canada first stepped into the world's wheat market as a competitor, acreage was about 10,000,000 acres while in the meantime acreage has grown to over 25,000,000 acres. The average for the last twenty-one years is almost 19,000,000 acres.

Has Meant $9,500,000,000

The highest price realized for wheat during the past two decades was for the 1919-1920 crop when it sold at $3.15 per bushel for July delivery and the lowest was for the 1913-1914 crop when it sold at 92 cents per bushel for the same delivery. Taking the average price of the last 21 years as being $1.51 per bushel for our July wheat, Canada has actually raised wheat valued at $9,500,000,000. In other words in the past 21 years we have extracted from the soil a sum equivalent to the total Government revenue realized during this period; in the meantime our lands have not suffered any depreciation in fact the capacity to repeat this performance or increase the production of this wealth in the future remains at an even keel.

No single commodity raised in this Dominion has obtained a level which could even compare favorably with this important wealth creating agency. It would be closely approximate to estimate that a sum of $6,000,000,000 has been realized since 1909 from abroad, by the sale of Canadian wheat. This sum of money is a permanent increase in our wealth and has been the means of assisting numerous industries in this country because the average farmer has reason to purchase goods which affects no less than 30 industries supplying his daily needs.

Lower Prices Seen

It is apparent that the average price for wheat in the future will tend toward lower levels, in fact owing to the rapid and extreme mechanization of the farm, it would be safe to surmise that within the next decade the average level would be reduced to the neighborhood of $1 per bushel. Our farmers have only recently commenced to seriously accept the angle of reducing wheat farming overhead so as to bring values in line with other staple cereals which are lower in price and consumed readily in large quantities in different parts of the world. In so far as Canada is concerned it would seem to be wiser to raise wheat and sell it in the world's markets at close margins rather than curtail our acreage under cultivation.

The Canadian West is very largely suitable for large scale wheat farming and the farmers in that area have over a period of years endeavored to perfect the means so that they may obtain efficiency in their methods. Moreover, wheat farming is an invaluable medium for the extensive and free circulation of money, at the same time it is a vehicle for cultivating trade with countries who have surplus commodities which we are in need of. But, in order to assure success along such lines it would be necessary that the barter be effected with countries who are actually able to absorb our grain surplus and give us in return commodities of which we are short, rather than with countries who buy our surplus and pay us cash which we have to spend in another country in order to buy our necessary requirements.

The average consumption of wheat by the 14 principal nations of the world is just 4 bushels per capita. In attaining this average four thickly populated countries such as Germany, Poland, India and Japan were included and the average consumption of these four countries is actually less than 3 bushels per capita. Countries with large exportable surpluses of wheat are, Canada, United States, Australia and the Argentine, while Spain, Roumania, and Poland have lesser surpluses but their average consumption is actually below 4 bushels per capita. Nations who need to import wheat grain in order to supplement their own crops are Great Britain, Italy, Belgium, Germany, India and Japan with France on an average crop.

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REGINA SEEKS AGREEMENT ON GAS FRANCHISE

Would Join With Saskatoon and Moose Jaw in Deal

DELAY IS CLAIMED

Chances of Dominion Gas & Electric Co. Are Favored to Get Contract

From Our Own Correspondent

REGINA.—The struggle for a franchise to supply cities of Saskatchewan with natural gas is continuing. The latest move is an attempt on the part of the city of Regina to get a conference with the cities of Saskatoon and Moose Jaw for the purpose of agreeing upon one company which would be given a franchise for the three cities. The Regina city council has held a number of secret sessions to consider offers made and to compare rates.

C. O. Moore, of the Tri-Cities Utilities Co. of New York, one of the concerns seeking a franchise, is stated to feel aggrieved at the delay on the part of Regina. After submitting an offer in detail, and giving the city council, in private session, various assurances of the ability of his company to carry out their undertaking, both with respect to finances and with respect to supplies of natural gas, as well as presenting a cheque for $100,000, as security for completing the terms of any agreement reached, Mr. Moore requested that his offer be considered withdrawn, and that all papers be returned to him. In other cities Mr. Moore still has outstanding offers, and it is still considered likely that if the three cities agree on the terms on which they will grant franchise that Mr. Moore will compete with the other companies.

Seeks Delay

The Eagle Butte Co., backed by the C. E. Roth interests of Independence, Kansas, continues to press for delay. They are drilling a number of wells in the Cypress Hills, near Regina. If they strike a sufficient flow of gas they desire a chance to supply the Saskatchewan cities, but if their efforts are not rewarded within the next few weeks they will be out of the picture. Delay is also sought by a large number of Regina citizens who are financially interested in various wells being sunk in different portions of the province, and who consider that the cities, having waited this long for gas, should wait still longer until it can be supplied from wells within the province.

Dominion Gas Favored

Chances at the present time appear to favor the Dominion Gas & Electric Co., successor to International Utilities, Ltd., in control of companies supplying natural gas to Edmonton and Calgary. That company, represented by C. J. Yorath, is anxious to build pipe lines for conveying Turner Valley natural gas to the Saskatchewan cities. It claims that the rates it proposes are much lower than those represented by any other schedules submitted, and that it alone, among the various competing interests, is assured of a quite sufficient supply for all possible contingencies. It claims to be ready now to start work on pipe lines to supply the different cities concerned.

It is believed that one difficulty may be to get the different cities to agree to the imposition of uniform rates for each. Moose Jaw, being nearer the gas fields, is inclined to think it should be entitled to lower rates than the other two cities. So far as Regina and Saskatoon are concerned they might agree on uniform rates for gas from the Turner Valley, but the opening up of newer fields later on, closer to one or other of the cities, and much closer to one city than to the other, might create complications.

Various estimates have been given of the cost of the whole undertaking, and some of them, including city distribution facilities as well as the long distance pipe lines, together with off-shoots to smaller towns on the way run $15,000,000 or more. Should an agreement be reached, it is believed, several million dollars would be spent before the end of the year.

Vancouver Plant Makes Excavating Shovels

Gas engine driven excavating shovels are now manufactured at Vancouver due to the initiative of a local manufacturer and the co-operation of the British Columbia Government, according to the Vancouver Board of Trade. This new industry has been operating now for about 2½ months and has already manufactured the first six shovels ever to be made in Canada. Four of these shovels are now in operation carrying out various public works in the province and assisting in extensive road-making developments that are underway.

Formerly Canada's power-driven shovels for excavating purposes have all been manufactured in the United States. Each of the new machines weighs 20 tons and has a capacity of from 300 to 400 yards according to the soil in which it is working and the skill of the operator.

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New Campell-Ewald Appointments

J. A. MacLaren (left) has been elected President and General Manager of Campbell-Ewald Limited, one of Canada's largest advertising agencies, with head office at Toronto and branches across the Dominion. Clarke Ashworth (right) has been appointed a member of the board of directors, and becomes a vice-president. The directorate also includes Bradley A. Walker, who was made a vice-president a few months ago. Mr. MacLaren, who has been general manager of the Company for some considerable time, began his career as a newspaperman in Toronto and has had broad experience in both the publication and agency ends of advertising. Mr. Ashworth, who is a graduate of the University of Toronto, came to Campbell-Ewald several years ago after newspaper experience in Canada and England. Mr. Walker was educated at Sandwich, Ontario, and served in the Royal Air Force during the war. After gaining experience in Detroit and New York he recently returned to Canada, joining Campbell-Ewald Limited in his present capacity.

NATIONAL LIGHT GETS CONTRACT WITH COMMISSION

May and June Production Shows Increases Over 1929

National Light & Power Co., operating the Moose Jaw power plant, is reported to have signed a contract with the Saskatchewan Power Commission for the supply of electrical energy for two power lines which the commission is constructing out of Moose Jaw and which will serve Caron and Mortlach and Elbow, Central Butte, Riverhurst and Rosetown.

The contract is on a cost basis for a period of five years with a renewal clause for a further period of three years. The company will be able to supply power as soon as the lines are completed. The company has placed a contract for an additional turbine unit of 10,000 kw. capacity.

Production Up

Preliminary figures of June earnings are stated to be somewhat better than was estimated and to be very satisfactory. The net send-out during June was 1,370,480 kw.h. as compared with 1,393,144 kw.h. in June, 1929, an increase of over 24 per cent. In May, 1930, the net send-out after deducting plant auxiliaries was 2,012,278 kw.h. an increase of more than 36 per cent over the net production of 1,477,415 kw.h. in May, 1929.

The increases shown are stated to be largely attributable to increased power load but that kilowatt sales for domestic use have also been increased. It is stated that the present peak load is comparable to the peak load of last winter and that the kilowatt send-out for June, which is the low month of the year, is only 190,000 kw. under January, which is the peak month the property has had.

SIX CANADIANS ON PILOT BOARD

Other Directors Are From Standard Accident of Detroit

There are six Canadians on the board of the Pilot Automobile and Accident Insurance Co., according to information given The Financial Post this week by Stewart Leitch, vice-president and manager of the company since it was taken over by the Standard Accident and Insurance Co., of Detroit. The Canadian directors are:

John S. Dowling, Brantford, hon. pres., Ontario Fire & Casualty Co.

Alex. Fasken, Toronto, president, Excelsior Life Insurance Co.

E. C. Greb, Kitchener, president, Greb Shoe Co.

George Hancock, Galt, pres., Galt Paper Box Co.

Walter D. Steele, Toronto, pres. Steel Briggs Seed Co.

J. J. Warren, Montreal, pres., Trusts & Guarantee Co.; pres., Consolidated Mining & Smelting Co.

D. M. Ferry, Jr., is president of the company; Charles C. Bowen is vice-president and secretary and Stewart Leitch, vice-president and manager. Other officers and directors are connected with the Standard Accident Insurance Co., Detroit.

Northwestern Power Co. Makes Progress on Project

From Our Own Correspondent

MONTREAL. — Northwestern Power Co. is making good progress upon the Seven Sisters Falls power development, on the Winnipeg River. At present, about 900 men are at work on the site, their monthly pay roll running into $128,000. Work on the whole, is well up to schedule, and it is expected the first unit will be put into operation about the middle of 1931.

The plant which when completed will develop an ultimate 225,000 h.p., the largest hydro-electric plant in Manitoba, will cost, when complete, $23,000,000.

TRAIL ORE RECEIPTS

Ore receipts at the Trail smelter of Consolidated Mining & Smelting Co., for the week ended July 14 totalled 7,406 tons which brought the total 1930 receipts to 258,520 tons of which 252,338 tons were from the company's mines and 6,182 tons were from other mines. For the week, 7,148 tons were from the company's mines and 258 tons were from other mines.

G. WEST. SADDLERY HAS LARGER LOSS IN LAST PERIOD

President Expects Improved Results in Current Year

Great West Saddlery Co. reports a deficit of $144,796 for the year ending June 30, 1930, after deducting bond interest, depreciation and all charges, as compared with an operating profit of $12,787 for the preceding year. Dividends on the first and second preferred stocks were paid in the year ending June 30, 1929, but the earnings situation, which after dividend payments, reduced the company's surplus to $132,421, was so much worse than had been expected that a re-organization occurred. No dividends were paid during the year which ended on June 30 last, but operations nevertheless resulted in changing the net surplus referred to to a deficit balance of $31,082.

In explanation of the results, A. G. A. Spence, president, reminded shareholders present that the new general manager, F. B. Curry, only assumed office on November 18 last, and that a considerable time has necessarily been taken in ascertaining the necessary steps to take to restore the fortunes of the company, to co-ordinate its activities in the western branches and restore momentum to the company. He felt that the preliminary stage in the affairs of the company had been passed and that they could look with more assurance "for those results which accrue from the efficient operation of a business enterprise."

Mr. Spence stated that substantial sums had been written off inventories during the year, and that every possible operating economy consistent with good management had been made. In spite of depressed business in western Canada it was the opinion of the management that business of the company should show marked improvement in the current 12 months.

INCOME AND SURPLUS ACCOUNT
Years Ended June 30

	1930	1929	1928
Net surp....	....	$12,787	$265,876
Less:			
1st. pref. divs.	....	58,500	14,625
2nd. pref...	....	12,995	3,250
Surp. for yr.	*$144,796	$58,708	$248,001
Prev. surp. .	132,421	212,910	....
Organiz. exp.	....	....	35,091
Adjust. & inc. tax ...	18,697	25,349	....
Carried for'd	31,072	132,421	212,910
Working Capital Accounts			
Current assets (a)	$1,687,408	$2,081,528	$2,509,275
Current liabs.	341.807	535,412	833,126
Excess of assets	1,345,596	1,546,116	1,676,149

(a)—Inventories are down from $1,260,481 to $967,842, a reduction of $292,640.

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*Loss.

MOOSE DOME RESULT IS ENCOURAGING

Gas and Oil Again Show in Pioneer Well of Area

Official information to The Financial Post shows that Moose Oils, drilling on the Moose Dome, 45 miles southwest of Calgary, has again encountered a producing horizon at a depth of 2,780 feet, from which gas, estimated at 2,000,000 cu. ft. daily and crude oil of about 60 degrees gravity is being produced.

Late last February at a depth of 2,230 feet initial encouragement was met with when green crude oil rose up in the well. This was cased off and drilling proceeded but at depth of approximately 2,600 feet a flow of wet gas estimated at from 2,000,000 to 4,000,000 cu. ft. was encountered which blew the tools up in the well and caused a jam that resulted in a fishing job for many weeks. This horizon was then cased off with 10 inch casing and drilling has been in progress until the recent strike.

Government engineers and representatives of the Imperial Oil are reported to be arranging for a test, before preceeding with drilling to the company's immediate objective, somewhat deeper.

The importance of the Moose Dome area is the subject of a wide difference of opinion among petroleum geologists, and owing to the interesting showings recently, more than usual significance is attached to developments in this area.

Turner Valley Drilling Report

PROGRESS REPORT—Week Ending July 19, 1930

Name of Well	No.	Type	Depth last report	Present depth	Feet drilled	Remarks
Royalite	13	R.	4,946	4,946	...	Bailing out after shot. Top lime 4,640 ft.; 306 ft. in lime).
Royalite	18	DD.	....	3,887	...	Rigging up diamond drill to clean out.
Royalite	24	S.	4,181	4,223	42	Rigging up rotary.
Royalite	25	R.	....	....	...	Backing drill rods.
Dalhousie	1	DD.	4,565	4,565	...	Drilling in lime. (Top lime at 4,999 ft.; 167 ft. in lime).
Dalhousie	7	DD.	5,116	5,116	55	Drilling in lime. (Top lime at 4,480 ft.; 261 ft. in lime).
Home	5	DD.	4,699	4,741	42	10 in. casing lowered to 3,594 ft., underreaming.
Home	6	S.	3,609	3,617	8	Drilling in sandy shale.
Home	7	S.	1.090	1,324	234	Drilling out cement at 4,576 ft. (Top lime 4,952 ft.; 18 ft. in lime).
N. W. Assoc. ...	2	R.	4,970	4,970	...	
Advance	5A	R.	6,515	6,515	...	Making production test. 506 ft. in lime).
Mayland	2	R.	4,729	4,730	1	Drilling in lime. (Top lime 4,710 ft.; 20 ft. in lime.
Mayland	3	R.	4,667	4,667	...	Mixing mud. (Between Home and Dalhousie sands).
Lowery	2	R.	....	....	...	Making production test.
Sterling Pac. ...	1	R.	6,525	6.525	...	Straightening bad hole at 2,623 ft.
C.D. & P.	1	S.	3,042	3,042	...	Drilling in lime. (Top lime at 2,483 ft.; 567 ft. in lime).
N.W.C. & E.	1	S.	3,015	3,050	35	Sand, straightening bad hole.
Southern Lowery	1	S.	3,883	3,890	7	Home sand at 3,485 ft.)

NOTE—S—Standard; R—Rotary; DD—Diamond Drill.

COAST STEEL CO. SEEKS LOCATION NEAR VANCOUVER

Will Utilize the Taxada Island Iron Ores

MAY GET BOUNTY

B.C. Government Will Pay Up to $3 Per Ton on Pig Iron Made in Province

From Our Own Correspondent

VICTORIA, B.C.—Surveys of industrial sites on the north shore of Burrard Inlet as a possible location for the proposed smelting plant of the Coast Range Steel Co., are now being made for that concern. Announcement by The Financial Post of the possible establishment of a $23,000,000 steel plant near Vancouver to utilize Texada Island ores, has been followed by negotiations for provincial government assistance.

To Apply For Bounties

The Coast Range Steel Co. will apply to the province for imposition of the steel bounties provided by existing legislation under which the Government may pay up to $3 a ton on pig iron manufactured in British Columbia from British Columbia ores, or $1.50 a ton for iron manufactured within the province from imported ores, most of which raw material on the Pacific slope is now imported from China.

The local government is authorized to spend up to two million dollars on such bounties. Actual payments may be varied as the Government deems fit, and might be paid in smaller installments over an extended period of years. The company, if manufacturing from the Texada ores, would be entitled to a subsidy of $3 a ton. The Tolmie government is showing very active interest in the venture and is anxious for its success if satisfactory arrangements for its financing can be arranged.

With development of the Texada iron ore deposits and the proposed $23,000,000 steel plant in the vicinity of Vancouver, it is expected that there will be numerous subsidiary plants to engage in the secondary phases of fabricating the steel output of the Coast Range plant. No doubt exists in the minds of the new company's directors as to the extent of the Texada deposits, as a result of reports by the Freyn Engineering Co., Chicago, following extensive investigations.

May Export

Pending erection of the steel plant, plans to ship iron ore to Japan have been under consideration, and negotiations to this end have been opened up, despite the transportation advantage of the Chinese iron ore, at present the chief source of Pacific supply. Financing for the preliminary stages of the Coast Ranges project are reported progressing favorably, Toronto and Detroit being the centres where these negotiations are being carried on. Allied Vancouver capitalists include Major James E. Lowery, Brig.-General V. W. Odlum, Col. Nelson Spencer, M. L. A., Knox Walkem, W. E. Burns, A. L. Hager, Gordon Farrell, Fergus R. McDonald, William McAdam, Col. A. S. McCulloch and J. F. Langer.

DETROIT BRIDGE EARNINGS GROWING CAN PAY CHARGES

Last Payment Made on $22,000,000 International Structure

When the contractor for the Detroit International Bridge was paid in full on July 11, 1930, the final payment brought the total cost for the development and building of this international structure to about $22,000,000, slightly under the estimated cost. A letter of preliminary acceptance had been given to the contractor for the bridge on November 11, 1929, but acceptance, final and complete in detail as well as in bulk has only just been given. The bridge, however, has been open for operation ever since November 15, 1929, or nine months earlier than the date specified in the contract for its erection.

Operations so far have been both encouraging and disappointing. The encouraging features are that the company, because of the early completion, got nine months of operating earnings which it had not expected and it has been able to effect operating economies. The disappointing feature is the failure to develop the estimated amount of commercial car and truck traffic, but improvement is discerned.

Situation Improves

"The volume of traffic for vehicles, passengers and pedestrians has continued to increase each month," says R. B. McDougald, general manager, in the course of a letter to Hemphill, Noyes & Co., New York City, in response to a request for information. "We will therefore begin the operation of the first year that is comparable with the estimates made by Messrs. Coverdale & Colpitts on July 31 next, with a satisfactory amount of commuting and pleasure driving across the bridge developed.

"The co-operation of the customs and immigration officers of both countries at the terminals has been most satisfactory. Now that our organization has become accustomed to handling heavy traffic there is practically no delay in entering or leaving the terminals. We have handled as many as 2,100 cars an hour in one terminal.

Can Earn Fixed Charges

"As to our finances, perhaps it is sufficient to say that, other than our funded debts, we have no current liabilities except current payroll and supply accounts, and there is now on deposit with the trustees funds for the payment of the August 1 coupons on the first mortgage bonds and debentures, and in addition to that we have a very substantial cash balance amounting to several hundred thousand dollars.

"The bridge and terminals are well built, easily maintained and operated, and we look forward to the future with every confidence of our ability to earn our fixed charges."

Oil Drillers Exploit B.C. Steveston Showing Retested

Victoria, B.C. — Officials of Pacific Petrol Products, Ltd., have left for the scene of that company's operations at Dorr, southeastern British Columbia, to meet to arrange details of a drilling programme.

Drilling for oil also has begun at Steveston, on land adjacent to properties of the B. C. Telephone Co., experiments in connection with which are of very live concern to the lower mainland. About 25 years ago an attempt was made to sink an oil well at Steveston. A pipe was sunk for a considerable distance, from which gas was emitted and burned for days. The impression gained that this was mere marsh gas and further work on the enterprise was abandoned.

ONLY WOMAN ACCOUNTANT

VICTORIA, B. C.—Mrs. Rose Sutherland has been appointed accountant in the Rossland branch of the Bank of Montreal, and is said to be the only woman accountant in Canada occupying such a post of trust.

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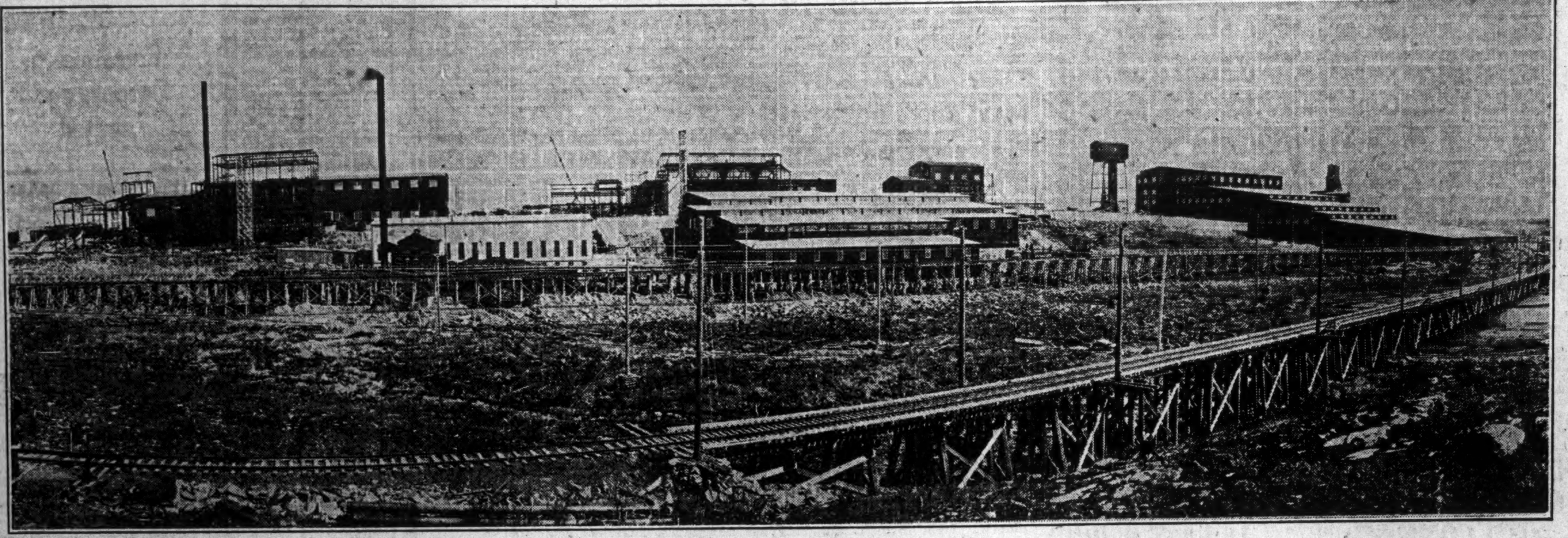
Hudson Bay Mining & Smelting Co's Plant at Flin Flon Nears Completion



Reading from left to right: Smelter with Cottrell plant and storage bins adjoining; white building in foreground is smelter power plant; the main group of buildings in the centre are the units of the zinc plant, with the power sub-station adjacent; on the right is the concentrator, with the head frame of the main shaft towering above.

Canadian Mining News

HAMMELL RESIGNS FROM HOWEY GOLD BIRKS IS SUCCESSOR

Differences in Policies Bring Huronian Group In

MILL CAPACITY IS UP

October Meeting Planned to Receive Reports and Discuss Finances

The storm clouds that have been hovering over officialdom of Howey Gold Mines, broke early this week when a directors' meeting was held, with no worse effect on the stock of the company than a five-point advance on the market.

As a result of the meeting, J. E. Hammell, former president, and Albert Wende and Harry Oakes, former directors, have resigned and are succeeded by R. T. Birks as president and R. Home Smith, John A. Northway and Andre Dorfman as directors. As inferred in The Financial Post of May 22, W. S. Cherry, vice-president and financial backer of Howey, has dictated the policy of the company, to the discomfiture of Mr. Hammell, and his resignation comes as no surprise to close followers of the company.

The entry of R. Home Smith and Andre Dorfman as directors, brings in the resources of the Huronian Mining and Finance Co., at present in a consulting capacity but in a financial capacity if required. No stock interest has been acquired by Huronian according to Howey officials.

Loans Not Pressing

Fears expressed that W. S. Cherry would foreclose on the company, for loans now in default appear unfounded. These loans amounting to $400,000 due July 1, 1930, and $50,000 due June 1, 1930, together with interest approximately $25,000, have been extended to October 1, 1930, and thereafter as required or subject to new financial arrangements.

A shareholders meeting is planned for October 1, 1930, at which time a complete statement will be presented of the company's affairs, including details of operations, and a report of an examination to be undertaken by Huronian Mining and Finance.

The new board will act until the shareholders meeting is held, as it is estimated that two months will be required for Huronian Mining and Finance to complete its report and in the interval, Mine Manager Young will have an opportunity of demonstrating just what can be expected from the mill.

The capacity of the two Hardinge ball mills, which have been under discussion, were initially averaging 380 tons daily against a guaranteed capacity of 500 tons, but are now giving 520 tons daily of material passing a 62 mesh screen. The increased capacity was effected by speeding the mills up from 18½ r.p.m. to 22 r.p.m. The result of an increase in speed of 19 per cent gave a 37 per cent increase in capacity, this increase is explained by the balls within the mills cascading and operating at a higher efficiency.

It is now felt that a tube mill in series with the ball mills will not be necessary and if it can be avoided, not only is a saving in capital expenditure of around $17,000 avoided, but more important still a saving of about 17 cents per ton in mill operations.

Tailing Loss Low

Reports from the mine indicate that owing to stoping giving wider commercial ore shoots than development work indicated, advantage has been taken of the tuning up period of the new mill to bulk sample ore from various levels and determine the possibilities offered for mining over greater widths. Necessarily heads have been low but a high recovery has been effected, the tailings averaging not over 20 cents per ton.

Operations of the next two months will indicate the wisdom of increasing the mill capacity to 1,100 tons. This enlargement has been under consideration.

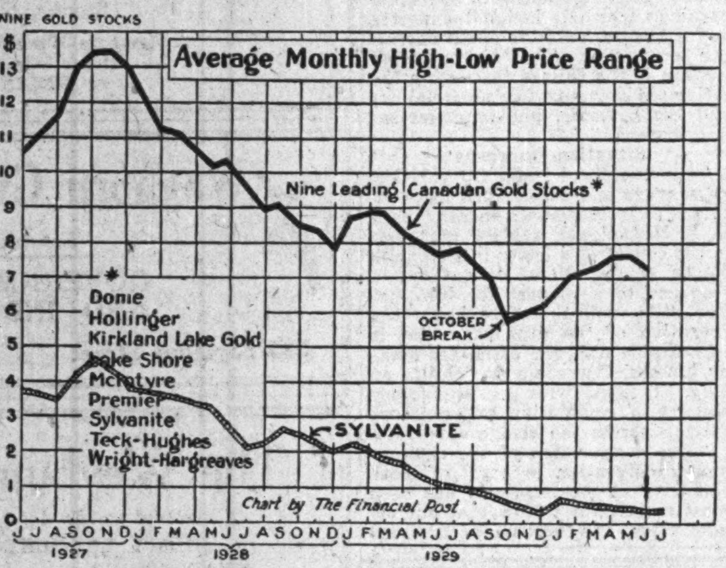
Algoma Steel Plant Closed Down at Present

From Our Own Correspondent

MONTREAL. — Operations at the plant of the Algoma Steel Corporation at Sault Ste. Marie have been somewhat curtailed in the last few days, and the rail mill, which has been operating almost continuously for the past year and a half, is closed down, with no prospects of resuming at least for several weeks. As a result, several hundred men are temporarily out of employment.

The merchant mills are operating on single turn.

Sylvanite Shares Continue to Drift Off



Sylvanite, the non-dividend paying producer in the Kirkland Lake camp, is a stock which appears to have discounted the future to a considerable extent. The management of the company is considered excellent.

Sylvanite Gold Future Discounted Many Years

Worthy Effort Being Made to Develop Property—Success Coming Slowly—New Shaft Will Help—Ore Reserves Low

For the past two months there has appeared in these columns a weekly article, accompanied by a valuation chart, discussing the merits of the principal dividend-paying gold stocks. In this, the final article of the series, an effort will be made to frankly and impartially discuss Sylvanite Gold Mines, a producer with three years' record, which has not yet entered the ranks of the dividend payers.

A study of the chart reveals that the depreciation in the market value of stock was the greatest of nine stocks reviewed, dropping to a low of 40 cents per share at the end of last year from a high in October, 1927, of $4.80, or a depreciation of 91 2/3 per cent.

The question has been raised, did the fact that the other mines which were paying dividends have a more stabilizing effect on the market or has the subsequent earnings of Sylvanite been a disappointment? Probably both were responsible, accompanied by a bull market which did not adequately weigh the company's future prospects.

Earnings Statement

The following is a statement of the company's earnings for the past three years since production started.

Years Ended March 31	1930	1929	1928
	$	$	$
Bullion prod.	690,400	737,573	609,181
Less expenses:			
Operating	589,226	548,694	360,961
Adminis.	19,756	21,177	19,290
Net oper. earn.	81,418	167,702	228,930
Add: Other inc.	20,237	12,921	4,403
Total net earn.	101,655	180,623	233,333
Less: Deprec.	74,961	75,072	63,552
Taxes	.....	10,077	11,700
Net profit	26,694	95,474	158,081
Add: Prev. surp.	253,555	158,081	......
Bal. carried for'd	280,249	253,555	158,081
Earn. Per Share and Div. Record:			
Earned	$0.008	$0.029	$0.048
None paid.			

While the earnings have diminished from 4.8 cents per share in 1928 to 0.8 cents in 1930, this statement does not truly present the progress of the company, owing to the increased development work that has been carried out each succeeding year. The following is a comparison of development work and production, together with costs:

Years Ended March 31	1930	1929	1928
Development:			
Drifting, ft.	4,121	1,311	1,919
Crosscut, ft.	1,951	2,180	276
Raising, ft.	488	2,280	691
Box holing, ft.	1,228	1,366	428
Sublevel drift, ft.	711	1,029	409
Shaft sink., ft.	1,480	398.5	106
Diam. drill., ft.	13,998	2,779	2,620
Operating costs:	$	$	$
Dev. & expl. total	206,426	170,695	49,149
Per ton milled	2,738	2,410	0.857
Mining, total	236,501	234,177	182,783
per ton milled	3,136	3,306	3,188
Milling, total	100,570	94,025	94,222
Per ton milled	1,334	1.327	1.643
Gen. and adm. chgs.:			
Total	69,933	74,584	.....
Per ton milled	0.927	1.053	.....
Total cost per ton	8.135	8.096	5.787
Production:			
Tons milled	75,408	70,833	57,341
Bullion prod.	690,400	737,573	609,181
Recov. per ton	9.16	10.41	10.62
Percent. recov.	....	....	94.4

The tonnage treated, averaging 200 tons daily, is about the full capacity of the mill and cannot be expected to show an increase until such time as the officials decide on increased facilities. The grade of ore treated has diminished during the past three years, but this can be attributed to the policy of treating any ore encountered in development work that would show a profit over milling costs.

While each succeeding year has added to the working capital of the company, the results of the development work have been concealed as no estimate of ore reserves, other than the broken ore in the stopes, has been made. Officials state that the mill capacity will not be increased to 400 tons daily unless at least a year's supply ore is broken in the stopes.

The company's property, consisting of five claims, approximately 228 acres at Kirkland Lake, Ont., adjoining Wright-Hargreaves on the east, has been under development since the incorporation of the company in 1913. The principal work on the property started upon reorganization in 1921 when Buffalo interests and Kirkland Lake Proprietory (1919) Ltd., obtained an option on the company. Later the Buffalo interests bought out the Kirkland Lake Proprietory for approximately $600,000 and have directed operations ever since.

Sink Four Shafts

Four shafts have been sunk on the property. No. 2, a main three-compartment shaft has been sunk to a depth of 2,030 feet, from which levels have been established every 125 feet to the 1,500-foot horizon, then at 250-foot intervals.

In May, 1929, a new two compartment shaft was started with an immediate objective of 1,500 feet which has been about completed. This will make possible the economical exploration of virgin territory. The present mill was constructed in 1927, but has been operated by electric power purchased on a monthly basis. Arrangements have now been consummated with the power company, and future power charges should reflect in lower milling costs.

The last annual report indicated that important developments had been effected during the year ended March 31 last; certainly the mine is in better shape than during any period of its history.

Need Large Reserves

As a basis for arriving at a valuation for the shares, let it be assumed that a net profit of $4 per ton can be realized from the current capacity of 200 tons daily, which is equivalent to approximately 10 cents per share annually. Further assume that starting next year dividends to this extent will be paid. Such being the case an actuarial calculation of the stock at the current price of 80 cents per share indicates that in order to amortize the principal and at the same time give a six per cent return on the investment, approximately 14 years would have to elapse with continuous dividends of 10 cents per share annually, if the investment is to be a profitable one. Since the reported ore reserves are less than a year's supply it is evident that over 13 additional years or the equivalent supply for a larger mill, must be provided.

The company enjoys conservative and capable administration, one of the most valuable of assets, and if it were not for this factor the probabilities are that market value of the shares of the company would not be discounted as far into the future as they are at present.

Gold Output Advancing

Prospects are that Canada this year will advance into second place among the gold producing countries of the world. South Africa holds first place and the United States second, but present progress in the mines of Canada make it appear likely that the 1929 gold production of $40,000,000 will this year be increased by fifty per cent.

Turner Valley Active

A new record for the production of Turner Valley wells was established during the month of June, when deliveries to the Imperial and Regal refineries totalled 111,960 barrels, an increase of nearly 6,000 barrels over the previous record delivery month of March.

NICKEL MEETING TO PASS RIGHTS COMES JULY 25

Shareholders Will Be Able to Buy 6 Per Cent More Stock

Shareholders of International Nickel Co. of Canada meet in Toronto Friday, July 25, 1930, to ratify the proposal of the directors for the issue of additional stock for subscription in the form of rights on the basis of $20 a share in the ratio of six shares for every 100 shares held. In anticipation of consent being given, "rights" have been traded in ever since June 10 at prices ranging from 40 to 24 cents for the right attached to each share. A decline in market valuation was the prompt response made by the market to the announcement and the stock declined rapidly almost to the subscription level though it has been selling latterly between $24 to $25 a share.

The shareholders are asked to agree to the increase of authorized capital of the company from 13,928,594 shares to 15,000,000 shares, and to declare that the money received by the company from the issuance of the 13,771,600 shares now outstanding should be considered as divided into $57,391,667 for capital and the remainder as surplus.

In announcing the stock offering on June 10 R. C. Stanley, president, said that the company's expansion programme during the last three and a half years called for a capital expenditure of about $52,000,000. The programme, he stated, was about 81 per cent completed at an expense of $42,000,000, and the issue of new stock was to obtain money so that the programme could be completed without in any way disturbing the strong financial condition of the company or dividends to shareholders.

Chief interest in this week's meeting will result from the hope that there will be a further statement concerning operations and earnings prospects.

NIPISSING MAINTAINS PRODUCTION AT LOSS

Drilling in Saskatchewan Proves Up Surface Showings

The official report of Nipissing Mining Co. for the months of April, May and June shows the ore mined to have an estimated net value of $151,414 and bullion and residue shipped of an estimate net value of $230,546.

The average price of silver for the second quarter was 39¼ cents, being four cents lower than the average price for the first quarter. June was eight cents lower than April, a new low of 33¼ cents being recorded on June 21.

There was no material change in underground operations at Cobalt. The ounces of silver produced was approximately the same as during the first quarter, but the value was considerably less. The low grade mill treated 10,509 tons and the refinery shipped 505,308 fine ounces of silver.

Get Drilling Results

Diamond drilling results of the first five holes on the Nisto group in Saskatchewan have been received. Two zones are being drilled and at surface the exposed lengths total 3,000 feet. Five of the holes cut the deposits at an approximate depth of 200 feet and show a true width of 50 to 100 feet of low-grade sulphides, which corresponds to conditions at the surface. The drill is now engaged in cutting one of the zones at a depth of 650 feet.

Some surface work was also done on a small showing of chalcopyrite on the Churchill River, 40 miles southeast of Nisto. Results were not encouraging and the option has been dropped. A number of prospecting parties are engaged in exploring various fields.

Alexander Fasken, in commenting on present operations to The Financial Post, said silver shipments were now being withheld pending better prices, and that while operations were being carried on at a loss it was a question whether closing down would not incur a larger loss as it would probably mean that the property would never be reopened owing to the expense involved.

Cobalt Contact Options Goudreau Gold Property

J. M. Aitken, president of Cobalt Contact Mines, has just announced the acquisition of a working option on approximately 300 acres in townships 49 and 27 in the Goudreau district, three miles east of Goudreau station and adjoining the McCarthy-Webb property.

Under the terms of the option no cash payment is involved but the company is committed to an extensive diamond drilling campaign. Two years' assessment work involving surface exploration showed gold values from $7.80 to $14, encountered over a width of five feet. A portable gasoline engine driven compressor is to be brought into the property and the diamond drilling programme plans will complete the necessary work to secure patent.

The adjoining McCarthy-Webb claims was the centre of a great deal of interest last year owing to the fact that they were under option to the Consolidated Mining and Smelting Co. Legal entanglements, however, forced the Smelters to withdraw until such time as this litigation was settled.

Flin Flon Development Now Nears Production New National Wealth

Construction work is now nearing completion, and the end of the current year will witness the successful culmination of three years' effort, involving an expenditure of approximately $25,000,000, which will make the Flin Flon mine, of Hudson Bay Mining & Smelting Co., Canada's largest new mining enterprise.

The initial annual production planned from this new development will amount to approximately 30,000,000 lbs. of copper, 50,000,000 lbs. of zinc, 750,000 oz. of silver and 75,000 oz. of gold, which valued at the current low prices will be worth in excess of $7,000,000.

The economic importance of this new wealth interpreted in terms of individual wealth, means the equivalent of over $10 for each man, woman and child throughout the province of Manitoba, or about 70 cents distributed among each of the 9,796,800 inhabitants of the Dominion. More important yet is the fact that it will directly provide the source of livelihood for over 5,000 individuals.

Immense Development

The history of the "find" that made possible this new frontier town of Flin Flon, dates back to 1915, but active development and construction dates from late in 1927 when the Whitney interests of New York, exercised their option on the property from the Mining Corp. of Canada and formed the present company. The work that has been done since that time, less than three years, can not be accurately gauged from the accompanying photographs. First transportation had to be provided, which meant the construction of a railway 85 miles in length through muskeg and swamp, around lakes, through rocks, pushing back still further the most northerly railway terminus in the Dominion east of Alberta at that time. This branch starting a few miles north of The Pas, on the Hudson Bay line, was commenced early in 1928 and was completed to Flin Flon in October of that year, earning the contractors a bonus of $250,000 for the rapid progress made.

New Power Site

Power had to be provided to operate the plant. This necessitated pushing the frontier still further northward and into Saskatchewan, where Island Falls, on the Churchill River, provided a hydro-electric site. Here, 58 miles northwest of Flin Flon, a $7,000,000 development has been completed which provides 44,000 h.p. and has provision made for an additional 42,000 h.p. The thousands of tons of supplies necessary for this power plant were principally taken in by tractor trains over the frozen lakes and snow. To one unaccustomed with the problems involved, no conception can be realized of the immensity of the undertaking.

While the railway and the power plant were individually huge construction contracts, the new plant at Flin Flon dwarfs these into oblivion, for here is a city in the making, already boasting of 5,000 population, enjoying city conveniences, adjoining what is to be Canda's third largest mining undertaking. In size of plant and in number of employees it is exceeded only by the operations of the International Nickel Co., at Sudbury and by Consolidated Smelters, at Trail.

Has Large Plant

Over 20 separate buildings go to make up a self-contained and complete plant, including hoisting and concentrating units of 3,000 tons daily capacity; a zinc unit to treat the zinc concentrates having a capacity of 75 tons of refined zinc daily, requiring 13,000 electrical h.p. to operate; a smelter having a capacity for treating 800 tons of copper concentrates daily, a cyanide plant for treating and recovering the precious metals in the tailings. In addition there is an auxiliary steam power plant to furnish electricity for essential operations in case of failure of the supply from Island Falls. The metals produced in order of value will be blister copper, refined zinc, gold and silver.

While the public is accustomed to thinking of Flin Flon as being in Manitoba, it really lies parallel to the Manitoba-Saskatchewan boundary, with 16 per cent of the company's plant and 20 per cent of the ore-body in Saskatchewan. The town of Flin Flon is entirely in Manitoba.

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WORLD'S OUTLOOK FOR BASE METALS BRINGS SOME HOPE

S. H. Logan Discusses Prospects and Finds Encouragement

Although the world's supply of the chief non-ferrous base metals (copper, lead and zinc) is at present in excess of the demand, the prospect for some of the producing countries is tinged with more hopefulness than during the somewhat similar depression of 1921, according to S. H. Logan, general manager of the Canadian Bank of Commerce.

During the last few months Canada has given an excellent account of herself in metal mining, as she did in 1921, and is particularly well situated to take advantage of any favorable factors that may develop, owing to the relatively high metal content of her copper ores, which, on a conservative estimate for her mines as a group, is shown to be above the world average of about 2 per cent, the fact that her recently developed ore bodies are also richer in associated metals than those previously known, the high standard of her metallurgical practice as regards the treatment of all three metals (a most important consideration, since it allows recovery of metal from ore with a wider margin of profit) and the fact that her principal producer of lead and zinc is the largest in the world.

Canada's Output Up

Mr. Logan points out that during the depression of 1921, when the world's production of copper declined by 44 per cent under that of the previous year, lead by 3 per cent, and zinc by 39 per cent, Canada suffered relatively lightly. It is true that her copper production fell 42 per cent, but this may be measured against a decline of 62 per cent in the United States and 73 per cent in Mexico. On the other hand, she increased her output of lead 89 per cent and of zinc 43 per cent. A comparison between the mine production during the first five months of the current year and that of the corresponding period of 1929, shows an increase of about 26 per cent in the Canadian output of copper, 16 per cent in lead and 16 per cent in zinc, as against a world decrease of 21 per cent in copper, a slight decline in lead and a similar slight increase in zinc, while many of the principal producers of these metals, including the United States, experienced a decline in all three. The increase in Canadian smelter production of copper, 36 per cent, and of zinc, 26 per cent, is even more impressive.

Copper, the most important of these metals, appears to have a comparatively bright outlook in Canada, the Belgian Congo and Rhodesia (the last named being still in the process of development), even if further curtailment of world production should be necessary. As already noted, Canada has copper ore of exceptional richness, but it is also a remarkable fact that her reserves of this metal have more than doubled during the last few years; the present situation is in sharp contrast with 1921, when her production was mainly from two fairly large mines, the ore of which contained not more than two per cent copper.

United States Shows Declines

The United States, of course, may be expected to occupy for many years its primary position in this industry. The American industry has advantages in the way of immense ore reserves, which permit of large-scale operations, with a consequent relatively low cost, a highly protected home market and a substantial control of foreign mines, but market conditions have been such that smelter output has fallen 25 per cent and domestic mine production nearly 32 per cent during the first five months of the current year, as compared with those of 1929. While the newer producers cannot compete with the United States in volume, they have, on the other hand, either stabilized their position or, as in the case of Canada, materially improved it.

Lead is statistically better off than either of the other two metals since its surplus stocks are only slightly, if any, above normal. The close relationship, however, between the automobile and building trades and the demand for this metal somewhat clouds the issue from a world point of view. As a result many small mines have been closed and the world production is smaller, although Canada and a number of other producing countries have either held their own or actually increased their output. It may be noted in passing that the percentage of lead derived from flotation concentrates on the property of the largest Canadian producer is higher than the average in either the western United States or Mexico.

Surplus Affecting Zinc

The zinc industry is suffering from the piling up of the largest surplus stocks ever known, as well as from the slow increase in the uses for this metal, but the cessation in recent years of exports from the United States and the expiry last month of a ten years' agreement by the British government to purchase surplus stocks of Australian zinc (the renewal of which, at least on such favorable terms, is doubted in authoritative circles), tend to enhance the position of Canada and Burma, which have rapidly advanced to the forefront in zinc mining. Furthermore, zinc derived through the electrolytic process commands a premium in price, owing to its great purity, although with the increasing supply of this grade the spread in price is not so wide as it was a few years ago, but it may be noted that the leading producer of Canadian zinc is able by the use of this process to take advantage of any premium that is offered.

Old Gold District Revived

New Finds at Glenora, B.C.

VICTORIA, B.C.—A mineral discovery near Glenora, 40 miles south of Telegraph Creek, Stikine River, B.C., discloses a vein 30 feet wide carrying $6 in gold and $45 in copper values to the ton. Outcroppings of this ore have been discovered for a considerable distance from the original discovery and it is expected that further work will disclose that all the showings comprise one body. The new find is on the left bank of the river and excellent water-power is available; a trial shipment of 15 tons of the ore is now being treated at the Tacoma smelter, to establish its values.

Glenora with this new prospect may again come to life in its third reincarnation. It was a thriving boom town during the heyday of the Cassiar rush, and later in Klondike days, since when it has been again deserted. Dr. Forrest A. Kerr, of the Dominion Geological Survey, indicated more than a year ago that the mineralization of the area was exceptionally promising, and since then there has been considerable prospecting done. Among other properties now being developed in the district is that on Iskut River, staked last year by W. B. George for the Consolidated Smelters, while work also is being done by the Canadian Exploration Co. on a property north of Glenora, staked last year as well. On lower Dease Lake several companies are developing profitable placer properties.

Your Mining Stocks; Their Present Status

Hilltop
Harker

Canadian Mines from A to Z in Crisp Weekly Reviews

What are the most promising mining stocks? Which ones are unattractive? The purpose of this series of analyses is to enable the investor to appraise his present holdings and to choose the most promising stocks to add to his list.

The Financial Post proposes to summarize the present position of every listed mining stock in Canada. The stocks chosen will be those quoted weekly in the table of mining stock quotations published in The Financial Post. Others will follow week by week until the entire list has been discussed.

In this series of articles no attempt will be made to publish other than facts and opinions based on those facts. The purpose of the series is not to arouse false hopes nor to create dissatisfaction with any stocks but frankly to analyze the present position of each stock and each mine.

HILLTOP GOLD

Hilltop Gold Mines, made an effort to prove up a gold prospect in the Boston Creek district of Ontario. A shaft was sunk to a depth of 668 feet and some lateral work carried out, but operations were suspended in 1928 after depleting the company's treasury in an effort to prove up commercial ore without success.

The last shares changed hands at ⅝ cents each on June 24. At the time of suspension of operations the liabilities exceeded the assets and it is doubtful if the shareholders will ever receive anything out of the enterprise.

HARKER

Harker Gold Mines owns a gold prospect in the Lightning River district, east of Matheson, Ont., on which development work has been carried out intermittently for a number of years. Operations were finally suspended in October, 1929, as the developments were not sufficiently encouraging to warrant further expenditure.

Late in 1927, John E. Hammell, president of the company, donated 1,000,000 shares of his stock to the company's treasury to be sold for the benefit of the company. The residue from the funds thus obtained, after completing the development programme, was applied to the purchase of 250,000 shares in the Greene-Stabell Mines at 40 cents per shares, thus Harker's only asset is its interest in this property. It also has an indefinite option on a like number of shares at the same price.

Unless Greene-Stabell comes through as a profitable producer there does not appear much hope for Harker investors. At the present time Greene-Stabell is closed down and its future is indefinite. Last shares of Harker changed hands at 3 cents each on July 7.

KIRKLAND PREMIER

Kirkland Premier Mines, Ltd. was incorporated in 1927 to succeed the Kirkland Rand Mines. Kirkland Rand was incorporated in 1924 to succeed the Montreal-Ontario Mines, Ltd. which itself was a merger of the Montreal-Kirkland Gold Mines and the Ontario-Kirkland Gold Mines, which owned 315 acres in Teck township at Kirkland Lake about one-quarter mile southeast of the Lake Shore Mines. Successive efforts by the various companies, failed to develop a mine and there appears no hope for the shareholders to realize anything.

Last shares changed hands at 1½ cents each on July 8.

KIRKLAND-HUNTON

Kirkland-Hunton Mines, Ltd. owns a gold prospect adjacent on the south, to Teck-Hughes Gold Mines. It is reported that $500,000 has been spent on the property but operations were finally suspended early in 1929 following an extensive report by E. W. Prood, consulting engineer. Exploration at depth by shaft sunk 675 feet as well as an extensive diamond drilling failed to confirm the encouraging showings encountered on the surface.

There appears to be nothing left on which the shareholders can realize. The last shares changed hands at ½ cent on July 18.

KEORA

Keora Mines, Ltd. owns a gold prospect in Whitney township, Porcupine district, Ontario, which failed to respond to development after an expenditure of approximately $150,000. Operations have been suspended for many years and it does not appear that anything is left for the shareholders.

Last sales of stock changed hands at 2 cents each on July 15.

KOOTENAY FLORENCE

Kootenay Florence Mining Co. was a re-organization and rehabilitation of a former silver-lead-zinc property in the Ainsworth mining division of British Columbia, sponsored by Stobie, Forlong & Co. The property was worked in the early days and approximately $1,000,000 worth of ore mined from surface outcroppings and shallow underground operations.

It was the plan of the present company to drive a new deep tunnel just above the mill site to explore the downward extension of the upper bodies, encountered in the old workings. Upon Stobie, Forlong & Co., going into liquidation, further funds were not available and the property was closed down early in 1930.

With a depleted treasury and a depressed silver-lead-zinc market there is little encouragement for the shareholders. Shares last changed hands at 2 cents each on July 19.

LAKE GENEVA

Lage Geneva Mining Co. is controlled by the Towamac Exploration Co., and owns a lead-zinc-silver property in the Sudbury district of Ontario, which is now being equipped with a 100 ton capacity mill. Operations have been principally financed by the Towamac Exploration Co. and the general public have contributed but little to the effort.

At the time operations were started the property had considerable promise but since that time, the depressed metal market has militated against the success anticipated.

The company was organized in 1928 with an authorized capitalization of $1,000,000 in $1 par value shares, of which 915,008 are outstanding. During 1929 shares sold up to 84 cents each and as low as 50 cents each. During 1930 no sales have been recorded.

LAVAL-QUEBEC

Laval-Quebec Mines, Ltd. was promoted by the interests back of Argonaut Consolidated Mines. The company was incorporated in December, 1925, with a capitalization of 5,000,000 shares of $1 par value all of which have been issued. The company owns various mining prospects in Quebec.

Development of the company's properties failed to disclose any ore of importance and the attention of the company was turned to properties held by other companies. During 1928, an option was taken on the Serpent Basin Mines and approximately $50,000 expended. Late in 1929, work was started on the Rex Copper Mines, Desmeloizes township, Quebec. This option was dropped after it failed to respond to development.

In midsummer, 1929, the company acquired an interest in the Crown Point Mines, Ltd. which is developing a property in Baker county, Oregon.

The various efforts of the company have practically depleted the treasury and leaves it with a few shares in various unsuccessful mining companies but with nothing of any importance to Laval-Quebec shareholders. Last sales changed hands at 1 cent each on March 27, and indications point that shareholders will never receive anything from their investment.

Missing Original Target More Than Once Was Aid To Sponsors of Nickel Co.

The great nickel-copper deposits of the Sudbury region were first developed for their copper contents. Then the nickel in the ore assumed an economic importance overshadowing that of the copper. New copper is again in the ascendant and the riches of the Frood mine are notable for their copper.

International Nickel has been the market sensation of the world for three or four years, but the nickel-copper field at Sudbury has been under active development for nearly half a century. In fact, the Frood mine is named after Thomas Frood, a prospector who examined the Creighton mine in 1885.

Success From Misfires

Studying the history of the International Nickel and its predecessor companies one is impressed by the fact that practically every great development in the company's history has come by accident while the company was assiduously studying and aiming at some other target.

The opening up of the Sudbury field and the beginning of the great International Nickel company's enterprise was due to an American, S. J. Ritchie, a promoter and railway builder of Akron, Ohio. In 1882 Mr. Ritchie became interested in building the Central Ontario railway to open up and develop the iron fields of North Hastings. When the road was built it was found that these iron ores contained so much sulphur as to be unmarketable. Mr. Ritchie proceeded with a systematic search for other mineral deposits in order to provide the railway with some traffic. He went to the geological museum at Ottawa and examined specimens of every kind of ore from every part of the country. Among the many specimens examined he found some copper ores that had been taken from a cut in the Algoma branch of the Canadian Pacific Railway. He analyzed the samples and found them rich in copper. He proceeded to have the deposits located and acquired and while doing this he found a number of other rich copper deposits in the area. Gathering these together into one ownership he formed a company known as the Canadian Copper Co. The Canadian Copper Co. had an Ohio charter with a capital of $2,000,000 and was organized in January, 1886.

Find Nickel in Ore

The next year a shipment of 1,200 tons of ore was shipped from Copper Cliff to New Jersey. While one of the chemists working on the metal was analyzing the product of the furnaces in which the ore had been smelted he found a metal with which he was not familiar and after numerous tests he found this substance to be nickel. Then it was that the promoters discovered that they had a great nickel deposit instead of a great copper deposit. But at that time the world's annual consumption of nickel was only about 1,000 tons and the discovery proved just as embarrassing temporarily to the promoters as the discovery that their iron ores for which the railway originally had been built were unsuitable for development.

Then it was that Mr. Ritchie remembered a conversation he had had about ten years before with a hare-brained American scientist who had been working on a plan to kill yellow fever by large refrigerator ships. This scientist had discovered that the ammonia gas he used generated so great a pressure that it could not be contained in ordinary cast iron. He had gone to the Smithsonian institution and analyzed meteorites in an endeavor to find a harder metal and discovered that these meteorites contained nickel. The scientist whose name was John Gamgee then proceeded to work out a nickel-steel alloy to contain his liquid ammonia.

Seeks Uses for Nickel

When Mr. Ritchie discovered that his copper mine was in reality a nickel mine, or more exactly a nickel-copper deposit, he recalled the experience he had had with John Gamgee, and it occurred to him that nickel could be used with success in the manufacture of guns and for many other purposes as an alloy of iron and steel. He wrote to the famous gun-maker, Krupp, at Essen, Germany, telling him of Gamgee's experiment, and asking him about the use of nickel in the guns which he made. Mr. Ritchie received an answer from Krupp, through his new York agent, treating the matter lightly and refusing to believe that there was any sufficient quantity of nickel in the world to warrant experiments looking to an extended use of the metal. Nevertheless, Mr. Ritchie was able to interest the secretary of the United States navy in the possibilities of nickel-steel for armour plate and an officer of the navy was delegated to accompany Mr. Ritchie to Europe to study certain French experiments. Sir John A. Macdonald, premier of Canada, gave authority to Sir Charles Tupper, then the Canadian high commissioner of Canada, to accompany Mr. Ritchie in his investigatory tour. The result of the test was that the United States government voted an appropriation of $1,000,000 to purchase nickel at Sudbury to be used in the manufacture of nickel-steel armor plate for the United States navy.

Advertised Sudbury Area

This million dollar appropriation by the United States government in the use of nickel and steel advertised the Sudbury mines all over the commercial world. It saved the Canadian Copper Co. from the expense of carrying on extensive and expensive tests of nickel alloys.

The output of nickel at Sudbury grew rapidly and the Canadian Copper Co. in time sold out to another group which formed a New Jersey company known as International Nickel Co. Under date of April 1, 1902, it came into being with a share capital of $24,000,000 and the privilege of issuing bonds up to $12,000,000.

The rest of the company's history is familiar.

Mr. Ritchie in telling his story of the discovery of nickel at Sudbury, which was published in an appendix to the report on the Sudbury Nickel Field by Dr. A. P. Coleman, published by the Ontario Bureau of Mines in 1905, states that neither Gamgee nor any other man invented nickel steel. He considers that it is a discovery, not an invention. He bases his opinion upon the fact that nickel steel alloys are direct result of the analysis of meteorites that fell from the heavens. The Sudbury nickel copper deposits and the nickel steel navies of the world are the result of analyzing these meteorites.

Saw Possibilities of Area

Delving into the correspondence of Sir John A. Macdonald, and Sir Chas. Tupper, we find that they were farvisioned men in foreseeing the possible greatness of the nickel deposits of the Sudbury field.

Giving Sir Charles Tupper a letter of introduction for Mr. Ritchie to be presented to the British naval authorities, Sir John pointed out that the extensive use of nickel would be of great advantage to Canada. Sir Charles Tupper in his report dated London, November, 1889, give some most interesting information as to the skepticism which greeted the report that Canada might become a competitor in the production of nickel. The basis of the New Celdonia Co., which up to that time controlled such markets as then existed, were unwilling to believe that there were any nickel deposits in the world outside of their own of any importance. They however wanted the Canadian Copper Co. to agree to let them have the control of their entire product. Another French company, which had developed a ferro-nickel alloy, also endeavored to get control of the Canadian deposits, but in both cases, the Canadians refused to sell.

Aimed at Home Steel Plant

Sir Charles Tupper tried to interest the Canadian government in the establishment of a great steel industry in Ontario to make nickel-steel for shipment throughout the whole world. He pointed out that the best skill and the strongest financial backing in England could be had to carry it on in Canada, and it would be possible for Canada to control the character and efficiency of the guns and navies of the world. He made these statements, which has since come true that, "From all the data we could obtain I was convinced that Sudbury could compete with any place in the world in the production of copper and that it could produce nickel for about one-half the price at which the French company could produce it."

Thus the sulphur in the iron ores of Hastings county opened up the Sudbury mines; the fever in the tropics led a scientist to analyze meteorites; his discovery of nickel in meteorites led to nickel steel armament, and this made Sudbury prosperous. Still later further exploration nickel ore uncovered the rich copper ores of the Frood mine and made International Nickel what it is today.

ENGINEER REPORTS TO ARNO HOLDERS

Developments at Depth Warrant Further Expenditure

Arno Mines shareholders have been forwarded a report on the Coxheath property, prepared by the company's consulting engineer Andrew Walz, accompanied by a letter from J. Lorn McDougall, secretary

The letter advised shareholders to take advantage of current low prices of Arno stock to increase their commitments, in view of the possibilities offered by the property.

The letter also explains that the annual meeting of the company has been postponed until some definite results of the sinking programme will be available.

In his report Mr. Walz states commercial ore body known as "B" has been developed both on the 190-foot and 260-foot levels. At the deeper level the "B" ore body has been established both on the east and west sides of the main shaft crosscut, the average grade of ore on the east side being considerably higher than that on the west side. No success has attended the attempts on the 340-foot level to locate the downward extension of the ore body of the two levels immediately above, therefore deeper working appears necessary.

"My observations have left me with the impression that development at a deeper horizon offers possibilities which the company is committed to undertake," continues Mr. Walz. "Encouraging results have been obtained from the diamond drilling, which was done during the first year's operation. If we view the "B" ore body as a lens, it is reasonable to expect others in depth in the vicinity of the syenite intrusive. It appears to me that the physical factors, which have brought about ore disposition, can be expected to be duplicated at a lower horizon. I would, therefore, suggest that the company undertake to explore the property at a horizon approximately 150 feet deeper than the bottom level. The total cost of the work should not be above $42,000."

Metal Prices

New York, July 22—
Copper—Electrolytic spot 11c. lb.
London, July 22—
(Long tons)—
Copper—Electrolytic spot £50 10s, future £52 10s.
Standard spot £47 7s 6d, future £47 2s 6d.
Tin—Spot £133 15s, future £135 10s.
Lead—Spot £18 2s 6d, future £18.
Zinc—Spot £16 15s, future £17 5s.
Silver—16d per ounce.

Public Utility Earnings

Winnipeg Electric

June—	1930	1929
Gross	$467,941	$498,627
Net	133,515	152,677
Fixed charges and taxes after deducting other income	94,442	77,000
Net from operations	39,072	65,749

Granby Mine Profits Down Output is Up

The quarterly report of Granby Consolidated Mining, Smelting and Power, shows a drop in gross profit of nearly 65 per cent below that of the similar period in 1929, and a drop of almost 40 per cent below the first quarter this year.

Dividends are being earned by a comfortable margin, the current rate being $3 annually or 75 cents quarterly, a reduction from the $8 annual rate in force until June of this year.

During the quarter ended June 30, 1930, the company produced 12,317,156 pounds of copper, a monthly average of 4,105,719 pounds as compared with 11,007,437 pounds in the first quarter, a monthly average of 3,669,146 pounds.

The net cost of producing the copper before depreciation, depletion and income taxes but after all operating and general charges, was 9.95 cents a pound in the second quarter as compared with 12.07 cents a pound in the first.

Quarterly and Half-Yearly Earnings
Quarters Ended June 30

	1930	1929
Oper. income	$ 298,013	$1,097,079
Other income	120,086	67,734
Total income	$ 418,099	$1,164,813
Less: Interest	......	......
Gross profit*	$ 418,099	$1,164,813
Half-Years Ended June 30		
Oper. income	$ 868,525	$1,965,718
Other income	237,960	139,459
Total income	$1,106,485	$2,105,177
Less: Interest	......	......
Gross profit*	$1,106,485	$2,105,177

*Before depreciation, depletion and income taxes.

Metal Prices Affect Profit Howe Sound

An official report from Howe Sound Co. for the quarter ended June 30, shows a substantial increase in production over the first quarter of the year, but a decrease in net profits. The quarter ended with a net profit of $459,260 as against dividend requirements of $496,038.

The following is a comparative statement of production and income for the first two quarters of 1930:

Production:	Oz. Gold	Oz. Silver	Tons Copper	Tons Lead	Tons Zinc
2nd qtr.	2,390	798,438	5,697	9,722	5,558
1st qtr.	3,170	690,000	5,876	8,039	4,589

Financial:	Second Quarter	First Quarter
Value prod.	$3,050,323.44	$3,538,813.10
Oper. costs	2,482,056.70	2,687,065.19
Oper. income	568,266.74	851,747.91
Miscel. income	111,483.03	102,306.76
Total income	679,749.77	954,054.67
Less deprec.	220,489.72	231,024.49
Net profit	$459,260.05	$723,030.18

The second quarter shows that the value of the metal production decreased 26 per cent below the average for 1929, while net profit decreased 50 per cent. Although there was an increase in the tonnage of metals produced operating costs show a reduction.

It is apparent that although the company is suffering severely by current low metal prices, that a determined effort is being made to earn the current dividends, of $4 annually, payable quarterly and although the last quarter fell short of the requirements, the earnings for the half year were more than sufficient.

The company is well fortified with cash and liquid assets, which at the end of 1929 amounted to $6,617,530 or approximately $13 per share.

Mining Inquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance inquiries on sheets separate from mining inquiries. No answers can be given by telephone or telegram.

Dome, Teck-Hughes

Will you be good enough to let me know what you think of the Dome stock at current levels? I will be glad also to have your opinion on Teck-Hughes. If you can recommend any mining stock which you consider more attractive for investment, I would ask you to kindly do so.

In our opinion, both Dome and Teck-Hughes would provide satisfactory investments if purchased outright and held over the next two or three years. Both of these stocks are giving a high yield and are fairly valued at current levels, but we can see no valid reason for believing that they will stage or sustain an important near term advance.

As you will have learned from reading recent issues of The Financial Post, we have a decided preference at the present time for the dividend-paying gold stocks, particularly Lake Shore, Teck-Hughes, Dome Mines and McIntyre. At current levels both Noranda and International Nickel are very attractive and it might be advisable to diversify and divide your commitments among these four stocks.

Nickel, Noranda

I am holding both Noranda and International Nickel and am inclined to switch my Nickel into Noranda, believing it to be wise both for earlier appreciation and as a long term hold. Am I right?

In our opinion, Nickel and Noranda are the outstanding mining investments in Canada today, and it is very difficult to name which is to be preferred in the face of the present depressed market. Indications are that Noranda will recuperate from the present market depression faster than International Nickel, but if you have holdings in the latter it is our opinion that they should not be disturbed.

If you have additional funds to invest we believe the safer plan would be to distribute your purchases equally between these two stocks.

The method of financing chosen by the International Nickel Co. has had a rather disastrous effect on the market, and we would not be surprised to see the stock crash below the $20 mark.

White Lake Mines

Please give me some information about White Lake Mines Ltd. I should like to know the capitalization of the company and where the properties are located as well as future prospects.

The property of White Lake Mines Ltd. consists of approximately 400 acres, one mile along the mineralized area, located in Township 1A Mississauga Forest Reserve, Patricia District, about 65 miles north of Green Lake station on the C. P. R.

It is believed from exploration, that the formation is a true fissure vein system carrying chalcopyrite, calcite and bornite, high-grade copper bearing minerals. The vein structure has been traced over 2,000 feet across the property where it is varied in width from 2 feet to 7 feet, giving assays as high as 25 per cent copper over a four foot width. The property is being developed by two tunnels driven into the east and west cliff of the shore of White Lake, These tunnels are well advanced and according to reports of the president, the property is responding to development in a very satisfactory manner. While this ore is apparently high grade no estimate of the tonnage has been made. The head office of the company is 301 Royal Bank Bldg., Toronto, and W. A. Lamport is president.

The company is incorporated under an Ontario charter with an authorized capitalization of $2,000,000 in $1 par value shares of which 1,987,606 are outstanding.

Price Oil Development

Please inform me as to whether there is any market for the no par value common stock of Price Oil Development & Exploration Co.

Regarding Price Oil Development & Exploration Co., we would advise that there is no known market for shares of this company's stock. The head office is listed as 401 Nokomis Building, Winnipeg, Man. A letter to the company might bring some enlightenment as to whether private interests are interested in purchase of the company's shares.

White Bear Silver

Some time ago mention was made in the columns of The Financial Post of White Bear Silver Mining Co. I hold 250 shares of this company of which I have not heard anything for years. Could you inform me as to whether the company is still in operation and its address?

If you write to the secretary of the company, care of Trusts & Guarantee Co., 302 Bay St., Toronto, Ont., he could probably tell you the situation with regard to the White Bear Silver Mining Co. The company has not paid any dividends for many years. It is operated by Consolidated Smelters on behalf of the shareholders and they only operate it in years when metal prices make it profitable. We do not believe they have operated in the last two years.

DeLaplante, Heasley
& Co., Limited
INVESTMENT
SECURITIES
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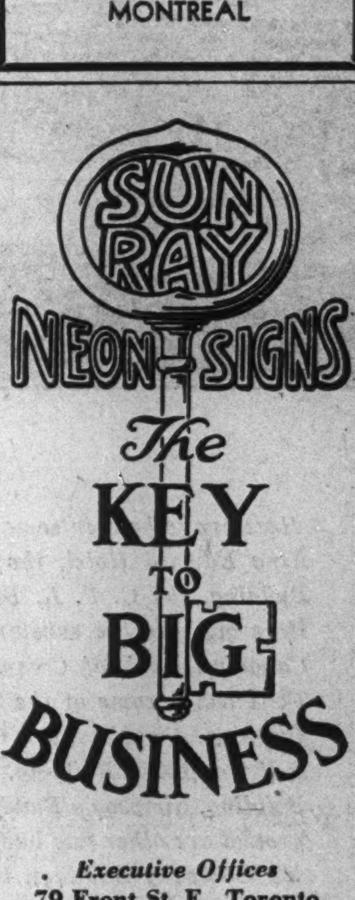
MONTREAL



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This book is the only authority on the subject. It gives a complete picture of over 1,300 oil companies incorporated to operate on prospect, as well as the history of oil development in the Dominion, maps showing oil areas, and location of wells, etc. With it beside you, you can take a large part of the gamble out of investing money in oil stocks.

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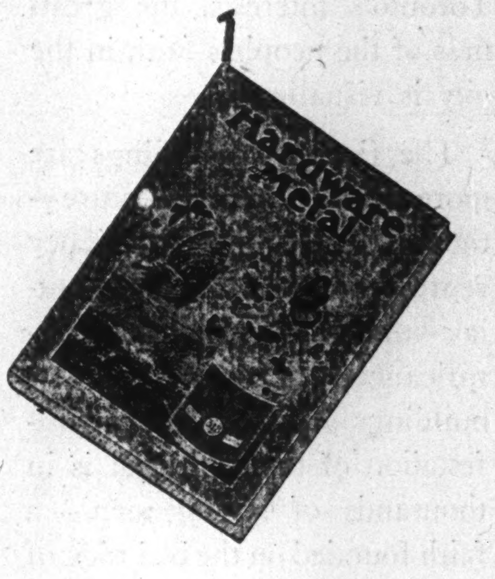
An Event



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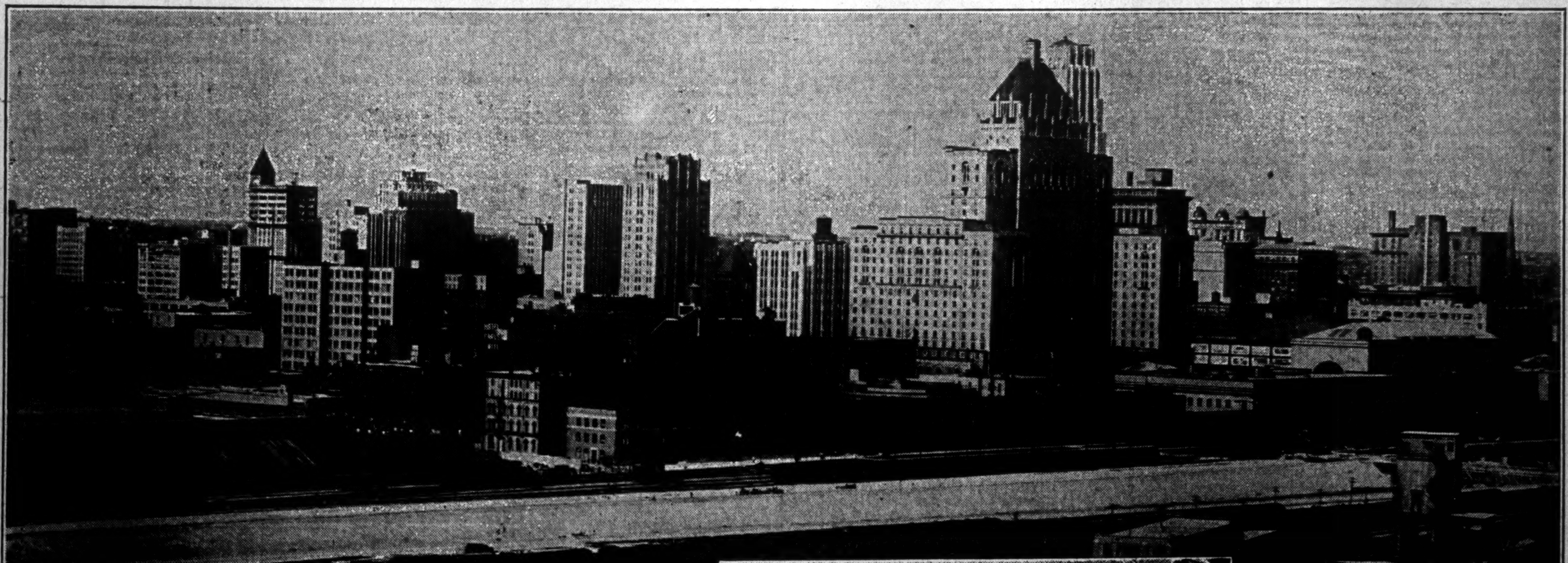
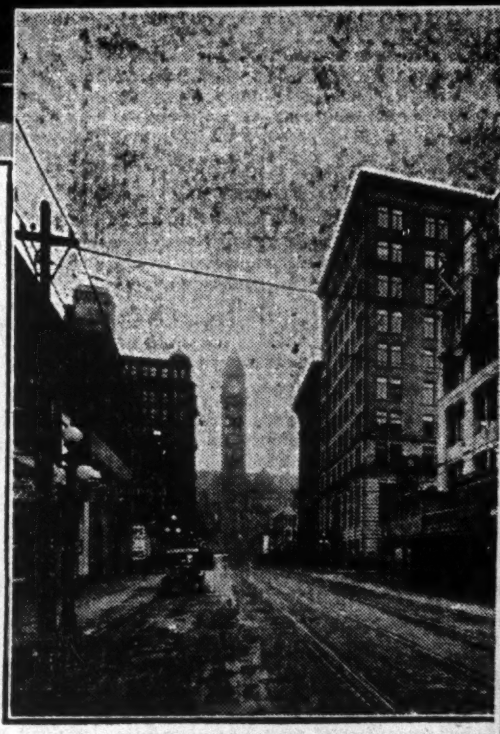
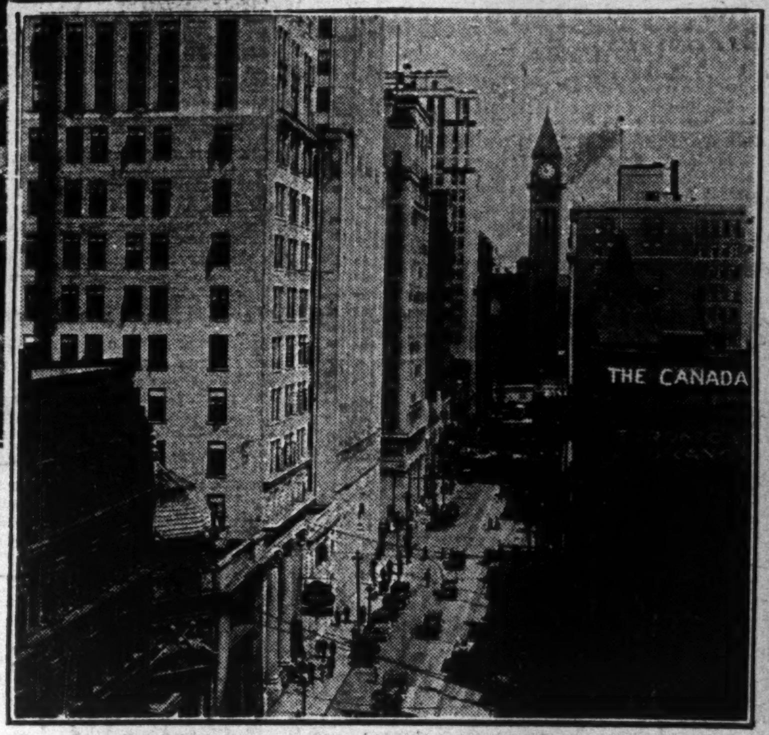
TORONTO'S CERTAIN FAITH



Here are to be seen some of the fine buildings of a few years back—The King Edward Hotel, the Bank of Hamilton Building, the Royal Bank Building, the C. P. R. Building and other still outstanding structures. Here also are the substantial structures of the last year or two — The Canadian Bank of Commerce, the Royal York, the Star Building, the Ford Hotel, some of the T. Eaton developments, the Canada Permanent Building, the Northern Ontario Building, the Concourse Building, the Bell Telephone Building, the Central Towers, Sterling Towers, Victory Building, Simpson's Building. And behind, indistinguishable in the background are other fine buildings—The Canada Life, the MacLean Publishing Company Building, the whole University Avenue development; and in the foreground—unshown—the amazing changes of the waterfront.





A bit of light verse deals with the adventures of a calf who, in its amblings, formed a path —said path later to become a village street, then a city thoroughfare, so that men "for three generations and a half trod in the footsteps of that calf." The steps of transition from one stage to another are made seem very brief by these two pictures of Bay Street. See the Bay Street of 1925 above, and the Bay Street of 1930. Moreover the street of today is a promise of a still greater tomorrow. At the lower right hand corner is shown a part of the old Canada Life property. Now the Bank of Nova Scotia owns this, and there will build an executive office fitting for one of the world's great financial institutions as soon as the Canada Life moves to its magnificent new University Avenue home.

IT is nearly fifteen years since it was seen but memory will bring the picture of a little girl playing with blocks and spelling out "Daddy please buy me a Victory Bond."

That advertising sold millions of bonds—backed by the efforts of those who served in these drives—and after the campaign was triumphantly concluded some very busy men journeyed to the Toronto home of the little girl who had posed for the picture. Her name was Faith, and in making the presentation which was the purpose of these men's coming, A. E. Ames said, very quietly but with underlying emotion, something about the three Graces—Faith, Hope and Charity—"and," he concluded —"in these trying days some of us have come to feel that the greatest of these is Faith."

The faith of the citizens is the greatest single asset of Toronto.

In this, the first advertisement of a series planned to promote Toronto's interests, the greatness of the people's faith in the city is visualized.

The fine new buildings are more than noble architecture—though that is important. They represent more than money outlay—though that too has its significance. These fine new buildings are the visible manifestation of the faith that is in thousands of strong men — a faith founded on the bed rock of experience—a faith in the future based on a knowledge of the past — a quiet faith in the great future of the country; and a sure faith in the oncoming of men able to carry on.

Toronto will continue to prosper because of the city's position — because of the rich country it serves; but most of all Toronto will grow and prosper because of the faith of her citizens — a contagious faith that quickly possesses those who come to the city to join with the older citizens in promoting Toronto's greatest good.

First of a series of twelve advertisements describing the City of Toronto prepared by The Financial Post. The undermentioned public spirited citizens, firms and institutions have made possible this series.

The Bell Telephone Company of Canada

Canadian Terminal System, Limited
Terminal Building, Toronto

The Consumers Gas Company of Toronto

Durant Motors of Canada Limited
"Finer and Faster"

The T. Eaton Company, Limited
Departmental Store

The King Edward Hotel Co,. Limited

George H. MacDonald Limited
National Advertising

The Office Specialty Mfg. Co. Limited
Manufacturers of complete office equipment
in both wood and steel

Royal Winter Fair
Unique among Exhibitions for broad scope and
varied interest. "Canada on Parade."
1930 dates: November 19-27

Service Engravers Limited
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"The English Shop"
Tailors, Shirtmakers, Outfitters

Laura Secord Candy Shops Limited

Toronto Industrial Commission

Toronto Ready Mix Concrete Limited
Transit Mixed Concrete

Direct enquiries to the Toronto Industrial Commission, Concourse Building, Toronto, for detailed information

THIRD SECTION

THE FINANCIAL POST

THIRD SECTION

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CANADA DRY MERCHANDISING ACHIEVEMENT OF PAST DECADE

Common Stock Investor Finds Canada Dry Shares Meet His Requirements

Good Yield, Reasonable Safety, Opportunity for Appreciation, Marketability Are Factor to Satisfy Holder

RETURN HAS AVERAGED EIGHT PER CENT SINCE 1925

Present Income is Twelve Per Cent on Average Cost of Shares in First Year After Listing on New York Stock Exchange—Sales Have Grown Steadily

An investor who bought Canada Dry stock at its average price in the last half of 1925—the first year of existence of the holding company—would have received an average of 8 per cent on his investment up to June 30, 1930, and in the present year would be receiving 12 per cent on his original outlay.

As this is written, Canada Dry is selling around 60, where the yield, on the basis of the $5 annual dividend, is better than 7 per cent.

Canada Dry, on this conclusive evidence, has had a bright past.

There is every reason to believe that Canada Dry will have a brilliant investment future.

Meets Needs of Most Exacting

Safety, marketability, appreciation and yield are the four watchwords of successful common-stock investment. Canada Dry seemingly meets the requirements of the common-stock investors.

In the course of a year or so, the shares of Canada Dry will become eligible for investment by life-insurance companies in Canada, as seven years' continuous dividends are required by law. Canada Dry has been paying dividends since 1924.

In judging safety, scanning the past with an eye to the future is the only feasible means of basing an opinion. Canada Dry has done exceedingly well by its shareholders. The management which has builded so well is still in control and is young and vigorous. Accounting methods are conservative. Manufacturing is efficient. Sales promotion is aggressive. The products are popular.

Marketability is all that could be desired. The shares are listed on the New York Stock Exchange and have a good following among traders. Canada Dry shares can be bought or sold in any trading hour on any business day.

The market value of the shares will continue to reflect the current earnings and prospects of the company, subject, of course, to conditions which affect the stock market as a whole. Exchanges throughout the world are unduly depressed and many good stocks, such as Canada Dry, are selling at prices highly attractive to investors who need an immediate return and yet who wish a stock which has good prospects for appreciation.

Can Maintain Dividend

The current yield on Canada Dry is highly gratifying in view of these other factors. There is every reason to believe that the present dividend rate can be maintained, although sales and profits, owing to general business conditions have not grown this year as in previous years. Earnings of $7.02 per share in the twelve months ended December 31, 1929, compare with $6.10 per share on a smaller number of shares in the previous calendar year. The president of the company has stated that the company's earnings for the fiscal year ending September 30, should approximate the earnings of the previous year.

Earnings Steadily Increase

The reason that Canada Dry is considered a highly promising investment is, of course, primarily that it has demonstrated its power steadily to increase its earnings. This is the result of manufacturing products for which there is a broad market and because these products are being marketed aggressively. Whatever else may be said is merely corroboration of this statement.

The subjoined table is an illustration of how sales and net profits rapidly have grown. Because the company last year changed the end of its fiscal year from December 31, to September 30, only the last nine months are considered for purposes of comparison:

The following table shows sales and net profits for the nine-month periods ending September 30:

	Sales	Net Profits
1924	$ 2,117,007	$ 282,927
1925	4,485,187	951,229
1926	6,521,727	1,226,016
1927	7,296,424	1,834,586
1928	9,357,253	2,404,167
1929	10,624,628	2,835,293

Dividend Payments Substantial

Total dividends paid have grown from $94,500 in 1924 to the very substantial sum of $2,553,420 for the fiscal year which will end September 30. In addition, there was a 5 per cent dividend in stock in 1927 and in 1928 rights to purchase new shares had an average market value of $1.15 per share. The record as it will be up to September 30, 1930, and including the former company, is as follows:

	Dividends	Rate-per share
1924	$ 94,500	
1925	642,980	.50
1926	883,337	$2.*
1927	1,491,700	$3.†*
1928	1,963,370	$3.50‡
1929 (9 mos.)	1,785,258	$3.50
1929 (3 mos.)	637,855	$1.25
1930 (6 mos. to Mar. 31)	1,275,710	$2.50
1930 (12 mos. to Sept. 30)	2,553,420	$5.

*Plus 5% stock.
†Plus 25c. extra Oct. 15.
‡Plus 50c extra Oct. 15.

Although the company has purchased several other companies in related lines of business, thus acquiring large physical assets, the balance sheet does not reveal any great increase in valuation of properties. This fact is a tribute to the conservative accounting principles which Canada Dry, in common with other sound companies, follows:

	Depreciated Value Property Acct.	Depreciation
1925	$ 1,305,527	$ 107,042
1926	1,834,780	196,675
1927	1,873,690	328,898
1928	2,940,612	963,160
1929	3,509,763	1,081,188

As will be seen from this table, the company is governed by standard practice in writing down its physical assets:

Rates of Depreciation

	Per Cent
Buildings	2.5
Machinery and equipment	10
Motor Trucks and Vehicles	20
Furniture and fixtures	10

Working capital has grown rapidly despite the large disbursements in dividends:

	Working Capital
1925	$ 926,347
1926	1,244,191
1927	2,128,471
1928	3,178,675
1929	3,660,536

Canada Dry always maintains ample supplies of cash or its equivalent:

	Cash and Call Loans	Treasury Notes	Total
1925	$829,562	......	$829,562
1926	560,513	......	560,513
1927	662,961	......	662,961
1928	636,847	$561,875	$1,198,722
1929	2,270,967	485,700	2,756,667

Undoubtedly the most valuable asset of the company is the trade name, Canada Dry, and formula. These are carried in the balance sheet at $1, having been written down from $489,238 in 1927.

Winter Beverage Sales Created by Canada Dry

Canada Dry has made history in the beverage business in many ways. Not only has the company raised the entire plane of manufacturing and distribution in the business, but it has revolutionized the public's idea about when a ginger ale should be used. Prior to the entrance of Canada Dry into the merchandising field, practically no ginger ale was sold in the winter. Dealers just put up the shutters as far as this product was concerned, in October and left them there until May.

Today the company's monthly sales show only a small variation as between winter and summer months. Also the company has opened up substantial new markets for ginger ale and has introduced into homes where formerly it was never used.

P. D. SAYLOR

In the six years in which he has been president and general manager of Canada Dry Ginger Ale, Inc., Mr. Saylor has achieved one of the most phenomenal successes in the history of merchandising on this continent. The story of this company, and the man who is most largely responsible for its success are told in the following pages.

Growth of Canada Dry Modern Business Romance

A native-born Canadian is head of the largest ginger ale business on the North American continent—probably of the world.

The story of how he took a distinctive Canadian product and in seven years introduced it across the length and breadth of this continent and to 45 other countries of the world, is one of the most fascinating romances of modern merchandising.

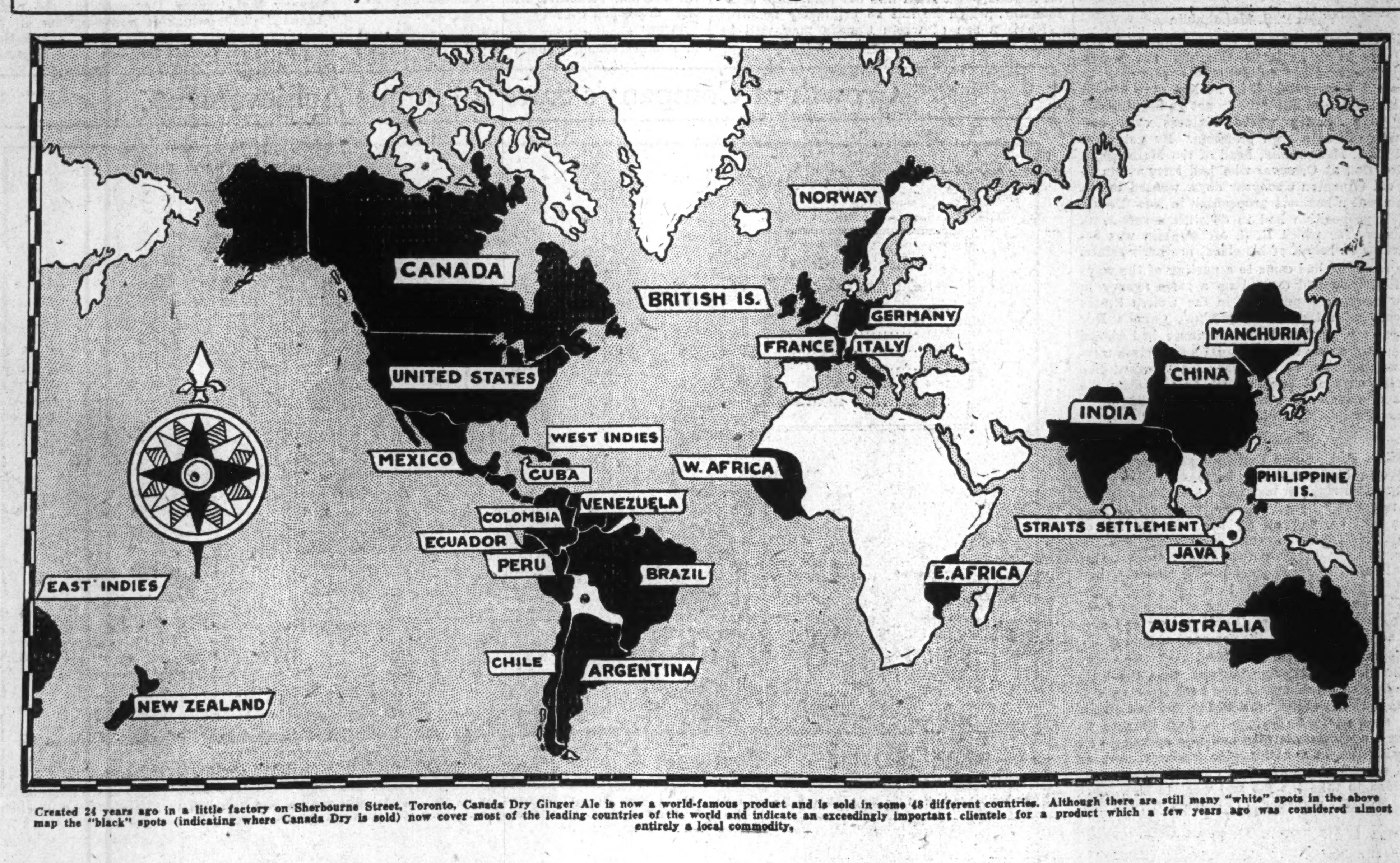
The product is Canada Dry Ginger Ale, and the man is P. D. Saylor.

Eight years ago the entire output of the company was less than 2,000,000 bottles annually. Today this company turns out over 10,000,000 bottles a month to satisfythe demand for its products that has sprung up almost overnight.

And not only has one of the most successful businesses of its kind been created, but the entire industry has been raised to a new high plane as a result of sweeping changes brought about in this industry by this company.

In the following pages The Financial Post tells for its readers the amazing story of this product which was created as a result of years of effort by a young Canadian chemist, John J. McLaughlin, eldest son of Robert McLaughlin, famous Canadian carriage builder of Oshawa, and which in the past few years has achieved almost world-wide fame under the guiding genius of P. D. Saylor, now president and general manager of the company.

Canada Dry Now Sold in Forty-Eight Countries of the World



Created 24 years ago in a little factory on Sherbourne Street, Toronto, Canada Dry Ginger Ale is now a world-famous product and is sold in some 48 different countries. Although there are still many "white" spots in the above map the "black" spots (indicating where Canada Dry is sold) now cover most of the leading countries of the world and indicate an exceedingly important clientele for a product which a few years ago was considered almost entirely a local commodity.

Native-Born Canadian Carves Meteoric Path In Merchandising World

Guiding Genius of Canada Dry Ginger Ale Nearly Passed Up Beverage Business Looking for Real Job—Started Career as Doctor

PAID $1,000,000 CASH FOR OLD TORONTO BUSINESS

Doctor P. D. Saylor Gets Up at 6 a.m. Every Morning to go Horseback Riding—Gave Up Medicine for the Rubber Business—Had Splendid War Record—Now Lives in New York

By Kenneth R. Wilson

Parry Dorland Saylor was born 52 years ago in Prince Edward County, Ontario. Today he sits in his office on the twenty-fourth story of a New York skyscraper, and directs the largest ginger ale company on the American continent—probably the largest in the world.

In seven years he has built this company around a famous formula developed after years of experiment by J. J. McLaughlin of Toronto. It has been a tremendous achievement by a Canadian, of a Canadian product, which even today bears a Canadian name—Canada Dry.

He is a tall, heavily-built man with a very merry twinkle in his eye and an infectious laugh that makes you feel instantly at home. You have only to meet him once to sense the energy and genius that are responsible for his success. For all that, he is exceedingly modest and retiring about himself, personally, and has very rarely been interviewed. When I met him in New York a few weeks ago he had to do considerable mental arithmetic to recall just what year he had done this and that—as hitherto there has been no real story of his life set down in black and white.

He was originally a doctor and practised medicine in New York for over a year, and again during the war with the Canadian Army Medical Corps. He forsook his profession for the rubber business and rose to high executive positions in various world-famous rubber companies before throwing in his lot with Canada Dry. He originally went to Canada Dry as manager of the company's New York business. A year later he bought the entire company for exactly a million dollars. The cheque was framed and now hangs in his office.

Coming to Royal Fair

His two hobbies are yachts and horses. He gets up every morning at six a.m. and rides horseback for an hour. This, winter and summer, for he has an indoor covered ring of his own, complete even to its own blacksmith shop. He told me that one of his greatest pleasures is the little private horse shows he puts on every week-end in this ring during the winter. He mounts his own horse and his stable of jumpers passes before him in review.

He also told me that he hopes to bring his show horses—of which he has about eight—to the Royal Winter Fair this winter. It depends on how they weather the summer. Already this season they have captured 14 ribbons and three silver cups.

In the summer he spends every week-end on his yacht. He hardly ever plays golf, not because he doesn't like the game, but because he loves to be with his family out of business hours, so deliberately chose a sport that they could all enjoy together. He has two children, a boy of 12 and a girl of 5.

Thinks us too Conservative

He knows Canada well having lived here as a boy and again for ten important years of his life prior to the war. He thinks we have the greatest future of any country in the world but frankly criticizes the short-sighted attitude of many of our business leaders who trim their sails to a tariff wind instead of bending every effort toward making the very best possible product and selling it at the lowest possible price. He thinks there is still far too much conservatism in our business methods and that Canadians are standing in their own light by not taking a more progressive attitude toward business.

He is a director of both the American and Canadian subsidiary companies of Crosse & Blackwell, Ltd., a director of the Hildick Corp., which is probably the largest vinegar business in the world and a director of the County Trust Co., New York, a $35,000,000 corporation of which Ex-Governor Alfred E. Smith is chairman of the board.

Comes From Loyalist Stock

But to begin at the beginning, "P.D." as he is always called by his friends and associates, was born at Bloomfield, Prince Edward County, on October 16, 1878. His parents, on both sides, were of the finest Loyalist stock, both his great, great grandparents having come "up to Canada" in the grand old days of Canada's stormy birth. Incidentally his grandfather and Sir John A. Macdonald were lifelong friends, having been raised and brought up on adjoining farms near Adolphustown, in the Bay of Quinte.

After three years at Bloomfield, P.D.'s family moved to Wellington, a few miles away, and lived there until the lad was thirteen years of age. Business, however, called Mr. Saylor back to the United States and the family was shipped across the border to Glens Falls, New York State.

Is Full-fledged Doctor

A decade rolled by and a brilliant young doctor of medicine—P. D. Saylor, M.D., graduated from New York Medical College and went into practice in the second largest city of the world.

Like many a successful student, Saylor had worked his way through college and most of his holidays were spent in the plants of the United States Rubber Co., due to the fact that a great friend of the Saylor's, who had taken a keen personal interest in the young medical student, was a leading executive of that corporation. A flair for business and a real genius for salesmanship and organization became apparent even in these holiday labors, so it is not surprising that about a year after his graduation, the friend said to Saylor: "Doc, you were never meant to peddle pills, you should be back in the rubber business."

Partly because he had a very high opinion of his friend's judgment and partly because he himself chafed at the fact that he couldn't get out and "get" business in the medical profession, but must be content to sit and wait for it to come, Saylor took his friend's advice and threw up his professional career for the rubber business. What success he would have attained had he remained in his profession, it is useless to conjecture. At any rate he lost no time in climbing nimbly up the caoutchouc tree—or whatever one does to achieve success in the rubber business—and in 1905 he was sent by his firm to Canada to join the staff of the Consolidated Rubber Goods Co., as secretary-treasurer.

Came Back to Canada

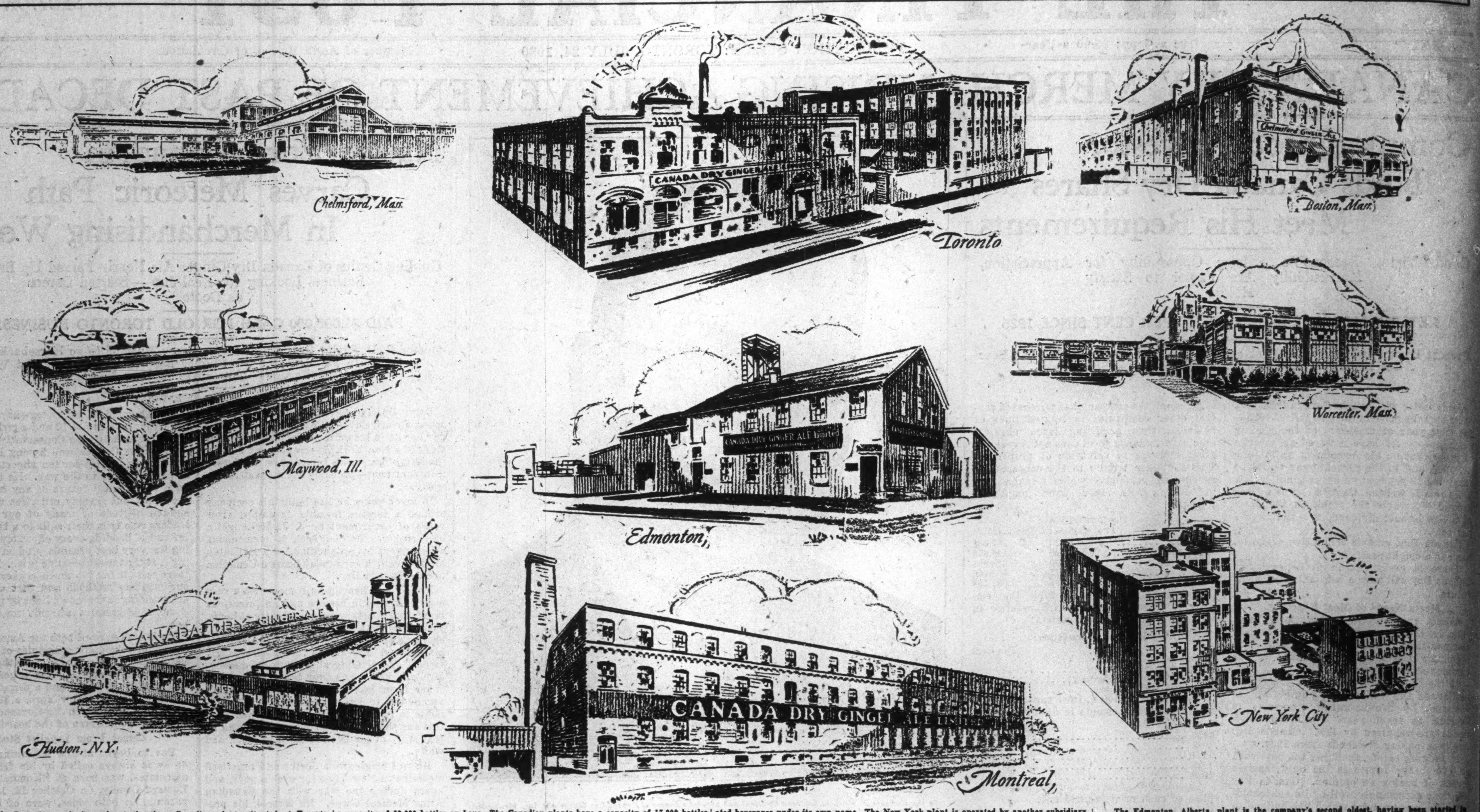
Not only was this an important position in itself for a young man still in his twenties, but the job was made doubly hard by reason of the fact that in those days it was not known in Canada that Consolidated Rubber (now Dominion Rubber Co.) was actually controlled by U. S. Rubber. Saylor was sent from New York therefore, not only on account of his ability but also because he was a Canadian by birth and, therefore, unlikely to rouse suspicions. It was a ticklish job and Saylor handled it with excellent judgment and skill.

A year after this, however, Saylor's friend, who by this time was one of the chief executives of U. S. Rubber, died, and with this personal contact gone, Saylor left the company and cast in his lot with Goodyear of Canada. His first position was that of sales manager for the mechanical rubber goods division—a department about which he had especial knowledge, and from there he rose to the position of general sales manager. This also proved merely a stepping stone and within a few years he was vice-president and general sales manager of the Canadian company.

The next opening was in England to take

(Continued on page 22)

Canada Dry and Subsidiaries Operate Nine Beverage Plants in Canada and the United States



Canada Dry ginger ale is made at the three Canadian plants situated at Toronto, Edmonton and Montreal, and at two of the United States plants, namely Hudson, N.Y., and Maywood, Ill. These two American plants turn out nothing but Canada Dry, and have a capacity of 50,000 bottles an hour. The Canadian plants have a capacity of 17,000 bottles

The three New England plants situated at Chelmsford, Boston and Worcester, are operated by a Canada Dry subsidiary, Chelmsford Ginger Ale, Inc., manufacturing carbonated beverages under its own name. The New York plant is operated by another subsidiary, G. B. Seely's Son, Inc., which also manufactures and sells carbonated beverages under its own name.

The Edmonton, Alberta, plant is the company's second oldest, having been started in 1907 by J. J. McLaughlin. It is being replaced this year by a new $100,000 plant which will be ready this fall.

Native Born Canadian

(Continued from page 21)

care of his company's interests in that field, so P. D. packed his bag again and landed in the Old Country just a short time prior to the Great War. When the crash came he offered his services in any capacity but much to his chagrin it was not until 1916 than an old friend of his, Col. Rennie of Hamilton, knowing that the business man had once been a doctor, secured a berth for him in the Canadian Army Medical Corps unit stationed at Folkestone.

Although it was fifteen years since college, a remarkable memory soon started picking up the threads from the old laboratory days and it was not long before he was in the swing of his old profession again. But once more fate intervened and turned the doctor back again to business.

It was in the days when much scandal had been unearthed about the way supplies were being purchased for the Canadian Medical Corps, and the need was for a first-rate business man who could steer a dead straight course and clear the decks of red tape, politics and inefficiency. Someone in London suggested Saylor and strangely enough he himself answered the telephone from G.H.Q.—he has an amazing memory for such details—which summoned him to virtually take charge of "A.M.D.3." This was a big job, involving responsibility for everything used and purchased by the Canadian Medical Corps during the balance of the war. Sufficient to say that with Saylor running the show, A.D.M.3, which had hitherto been proverbial for its inefficiency, got underway like any well-oiled machine and was scarcely ever heard from again until November 11, 1918.

Had Big Post-War Job

Came the Armistice and the late Sir Edward Kemp was at his wit's end to find someone to dispose of the millions and millions of dollars worth of supplies the Canadian Army had accumulated in the four years of struggle. Again someone suggested Saylor and although he was longing to get out of khaki and get back to his business, he accepted the job and within six weeks everything was ready for the biggest merchandising campaign of his career.

Just how successful he was is a matter of official record. Not only did he clean out the entire stock-in-trade of the Canadian Expeditionary Force at fabulously high prices, but he did it before many of the dominions had even got their selling organization set up.

Sold 1914 Ford for $1,250

So quickly did he organize his department and get his auctions underway that he attracted storekeepers from all over England to his sales. For it must be remembered that in those early days England was stripped bare of anything but the barest necessities of life and the opportunity to buy everything from shoe laces to motor cars was welcomed with open arms, especially by discharged army officers with nice fat pay checks in their pockets and nothing to spend them on. His greatest achievement was the sale of a 1914 Ford which had gone through the entire war and which brought the incredible sum of 250 guineas.

Back in civilian clothes again, there came a tempting offer from another famous rubber company for "Major" Saylor's services. This time it was the Dunlop Rubber Company who were building a huge American plant at Buffalo. There was some hesitation but the offer was such an attractive one that finally Saylor accepted and soon he was bringing his family back across the Atlantic.

But the best laid plans—even of world-famous rubber companies,—gang aft aglee, and with the coming of the post-war depression the whole project, involving as it did the investment of many millions of dollars on this side of the water, fell flat. The new plant—not yet completed—was simply put into cold storage as it were, and for the first time in his life P. D. found himself without a job.

Visits R. S. McLaughlin

Having little to worry about financially—for the time being at least—this did not worry Saylor, who rather enjoyed the opportunity to have the first real holiday he had ever had in his life. But men like P.D. do not go begging for long in a country where business skill and acumen are at a high premium. He got word that R. S. McLaughlin, head of the McLaughlin Motor Co., at Oshawa, who had known him in the old Canadian Goodyear days, wanted to see him about a business proposition in New York.

The proposition had to do with a soft-drink business, for which R. S. McLaughlin was co-executor on behalf of his eldest brother's estate. The company had come to a parting of the ways in that they had opened up a sales agency in New York to experiment in the United States market with their chief product, Canada Dry ginger ale, and a short experience had shown them that either they must get a first class merchandising man to take over what looked like a very excellent opportunity, or else drop the idea of expansion outside Canada altogether. There was plainly no half-way course.

Wanted a Real Job

When P. D. heard that he was being offered a job in the soft-drink business he says he laughed outright at his friend Sam McLaughlin. "I told him," he said to me, "that I had been in a real business all my life and the idea of selling soft drinks seemed ludicrous." But the famous Canadian motor car maker stuck to his point that there was more in this business than just selling carbonated beverages, and asked Saylor as a personal favor to at least go down to New York, look the situation over and give his advice as to what the company should do.

Saylor did this and realized that there was more in this particular business than the little two by four establishments on back streets which at that time peddled most of the pop and ginger ale sold on this continent. And because he wasn't a ginger ale man and saw amazing new possibilities in a nation-wide business, such as had scarcely been dreamed of in those days, he decided to take the job and went to New York as general manager of Canada Dry Corp., United States subsidiary of the J. J. McLaughlin Co., of Canada.

That was on February 15, 1923, and the intervening years have been more like a merchandiser's dream than anything else.

The first nut he had to crack—and it was a mighty hard one—was the preservation of the company's rights to carry on a profitable business in the United States. The business, such as it was at that time, was in the hands of four young society men of New York and contracts had been let by them giving exclusive territorial rights in perpetuity for the sale of Canada Dry in different strategic areas.

By rare tact and good fortune and because the men he had to deal with lacked his amazing vision as to the real potentialities of this business, he managed to get rid of all these contracts, any one of which might have been a permanent blot on the company's horizon if they had remained in force, and set about selling Canada Dry to the American people.

The story of his phenomenal success since then would just nicely fill a good-sized novel, but it is probably best told in the company's remarkable record which is really the personal achievement of P. D. Saylor.

And the company will not be content to rest on even these enviable laurels with P. D. at the wheel. Every year he announces some new and important step in the company's upward march and even now a sweeping improvement in manufacture which it is expected will save the company over $100,000 a year, is in the wind. For "P. D.," now that he has forsaken a "real" business for the beverage industry, is not going to let anyone wrest from him the leadership of an industry, which he has so brilliantly achieved

He is a son of whom Canada may well be proud.

Ginger Ale Formula Is Well-Kept Secret

The formula for Canada Dry ginger ale is one of the company's most closely guarded secrets, in spite of the fact that it is now carried on the company's books at the nominal sum of $1. Originally the company's trademarks, goodwill and formulae were carried at about $500,000, but this item was written down to $1 in 1927.

Only three men in the entire organization know the Canada Dry formula. One of these is P. D. Saylor. The formula itself is safely under lock and key in the vaults of the Guaranty Trust Co., of New York. It requires two officials of the company to open the vault, one of whom must be Mr. Saylor.

The formula is identically the same as originally created by John J. McLaughlin in 1906. It has been used continuously ever since.

Over 5 Million Invested by Co. In Nine Plants

Many Valuable Properties Give Company Leadership in Industry

SIX IN UNITED STATES

Steady Stream of Bottles Flows in and Out to Maintain World-Wide Distribution

Nine big plants in the United States and Canada aid Canada Dry Ginger Ale, Inc., in supporting its boast that it is the biggest ginger ale company in the world. These plants represent an investment of over $5,000,000, and five of them produce Canada Dry ginger ale as their chief product.

The Toronto plant is called Plant No. 1 and has a capacity of 80,000 bottles per eight-hour day. It is the company's original plant and in one corner of the building which now houses the executive offices of the Canadian company, is the original structure where Canada Dry was first developed over twenty years ago.

Until about a year ago, all the extract used in manufacturing Canada Dry in both Canada and the United States, was manufactured at the Toronto plant from imported Jamaican ginger root, and then shipped to the company's various plants in huge steel drums. However, with the adoption by the company of its famous Lloyd process of extraction, this work is now done for the entire organization at the Hudson, N.Y., plant, which in point of size is the largest unit in the company's chain.

Was Painstaking Process

Formerly the extraction of the ginger root which was an important feature of operations at Toronto, was carried on by a painstaking process in small batches, so as to ensure absolute uniformity for each ounce of extract made by the company. Today this same result is achieved on a wholesale scale by the Lloyd process which produces a liquid ginger of perfect uniformity and quality at a greatly reduced cost.

The Toronto property is approximately 250 feet wide by 280 feet deep and contains 70,000 square feet of space. There are two separate buildings, one of which is four storeys in height and is equipped with every type of modern machinery for the manufacture of ginger ale and other similar beverages. The plant also contains a complete research and experimental laboratory and still maintains its equipment for making the extract in case of emergency.

Montreal Plant Purchased

The company's Montreal plant was formerly the Caledonia Springs Corp., which was purchased by the company in the early spring of 1927. This was an old-established company and the acquisition added many well-established brands to the company's line. It was from this company that Canada Dry acquired the name "Adanac" under which it now markets all its Canadian products other than the Canada Dry Ginger Ale and Canada Dry Sparkling Soda. It also acquired from Caledonia Springs the Magi, Adanac and Duncan mineral waters. The Adanac springs are located at Borget and the Magi springs at Caledonia.

The Edmonton plant was the second to be acquired by the original company, having been started in 1907 by J. J. McLaughlin, founder of the company, as a means of developing the potentialities of the Canadian West. The building now standing is of frame construction, and is fully equipped to turn out as many as 30,000 bottles of beverage per eight-hour day. This plant is being demolished this summer and will be replaced by a brand new $100,000 structure which will be the last word in a modern beverage-making establishment. It will be an entirely complete unit and will be equipped with its own research and experimental laboratories.

Six Plants in States

In the United States the company now operates six separate plants, two of which are located in New York State, one in Maywood, Illinois, outside Chicago, and the remainder in Massachusetts.

The most important United States plant is the one situated at Hudson, New York State. This plant was purchased in September, 1923, in order to take care of the company's rapidly-growing United States business which until that time had been served by a small rented plant in New York City. The property is approximately eight acres in extent and adjoins the tracks of the Boston & Albany Railroad Co. It is a one-story building in three communicating sections. It is of brick, concrete and steel construction. It contains a complete laboratory, refrigerating plants, syrup rooms and bottling machinery of a capacity of well over 200,000 bottles per nine-hour day.

Next comes the Maywood, Illinois, plant. The property on which this plant stands was purchased in November, 1925, and comprises approximately six acres. It is located on the tracks of the Indiana Harbor Belt Railroad in Cook County on the outskirts of Chicago. The plant is the most modern of its kind in the United States and it is a plant almost similar to this that is being erected this summer at Edmonton.

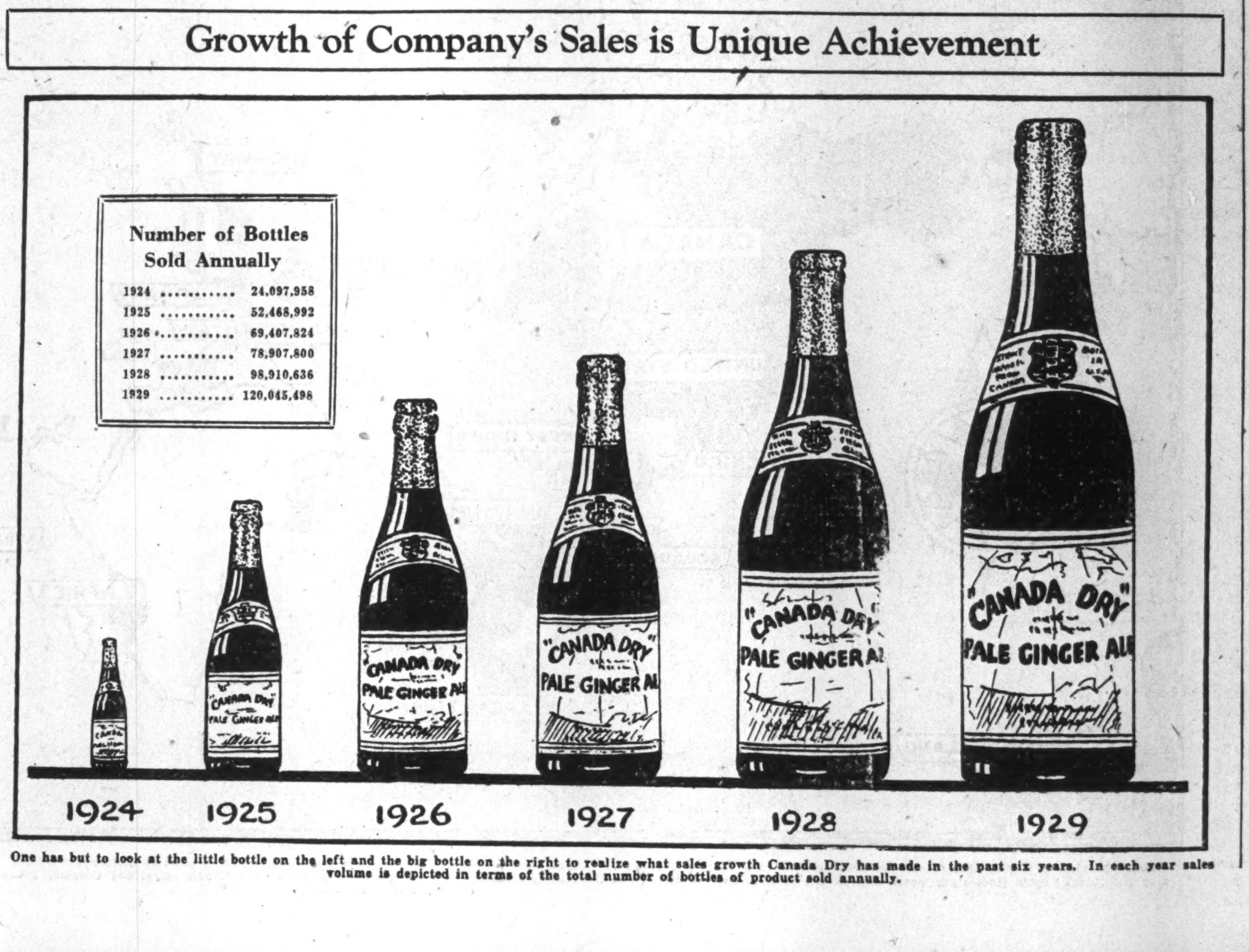
The plant erected on this property is of brick, steel and concrete construction. The plan of the building is similar to that of the Hudson plant. The plant consists of a raw material warehouse served by a private siding, the bottling plant, a covered train shed with two sidings, a finished goods warehouse and a boiler house. The building is 300 feet by 345 feet and contains approximately 103,500 square feet. This plant is equipped with the most modern machinery and has capacity of 160,000 bottles per nine-hour day, thus nearly equalling the production at the Hudson, New York, plant and giving the corporation a capacity of 8,500 cases, or 400,000 bottles, per nine-hour day, in these two plants alone.

Three In Massachusetts

The company's New-York plant is operated by G. B. Seely's Son, Inc., wholly-owned subsidiary of Canada Dry Ginger Ale, Inc. The property is located on West 15th Street and comprises a five-story building completely equipped to manufacture a complete line of carbonated beverages, which are sold under the company's own trademarks. The plant and business was acquired in June, 1928, by Canada Dry.

The remaining plants are all located in Massachusetts and were acquired when the parent company purchased control of the Chelmsford Ginger Ale Co., whose head office and main plant is located at Chelmsford, a suburb of Lowell, Mass. This business was acquired by Canada Dry in September, 1928. In addition to the main plant at Chelmsford, Mass., the company has a small plant at Concord, New Hampshire, and a large plant at Boston, which now stands second only to the Chelmsford plant in volume of sales. These plants all produce and distribute the Chelmsford line of beverages which are still sold under the original trademark, although controlled by Canada Dry.

Growth of Company's Sales is Unique Achievement

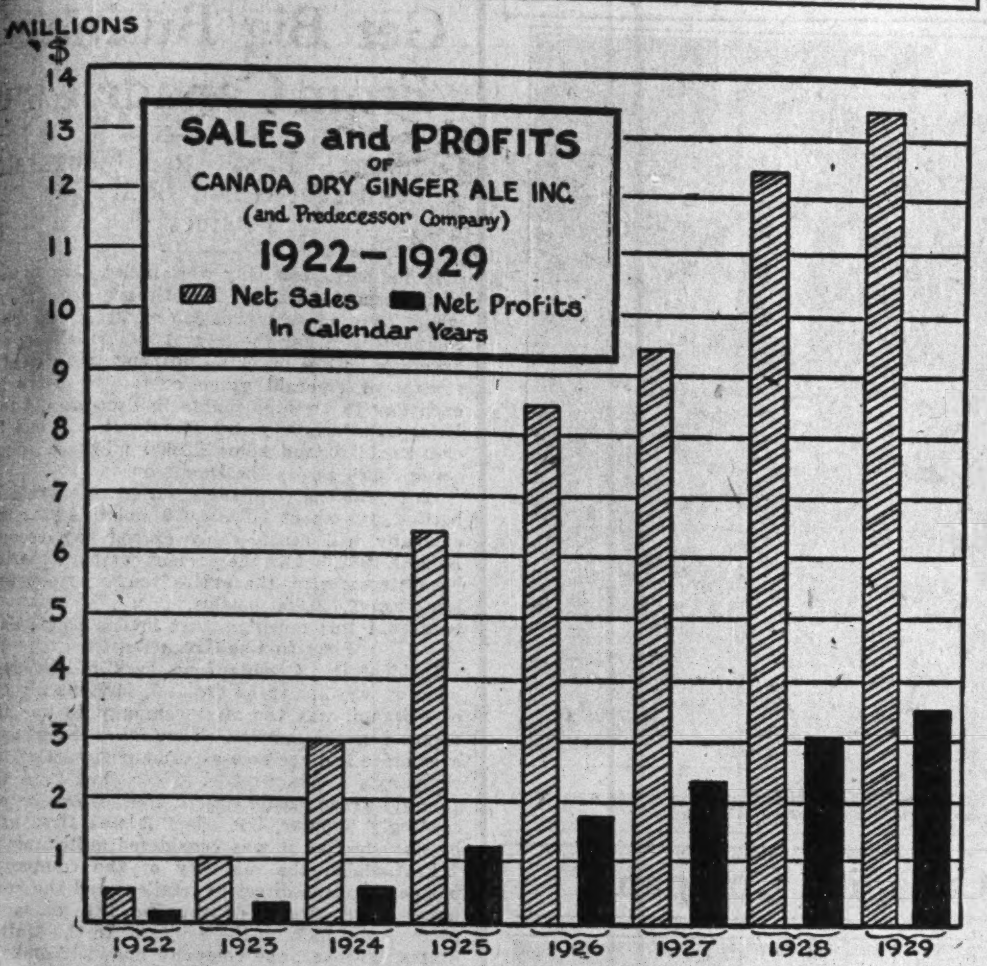


Number of Bottles Sold Annually

1924	24,097,958
1925	52,468,992
1926	69,407,824
1927	78,907,800
1928	98,910,636
1929	120,045,498

One has but to look at the little bottle on the left and the big bottle on the right to realize what sales growth Canada Dry has made in the past six years. In each year sales volume is depicted in terms of the total number of bottles of product sold annually.

Profits Follow Upward Sales Trend



The steady rise in sales and profits of Canada Dry Ginger Ale, Inc., is shown in the above chart. In one day last month the company sold more ginger ale and beverages than in the entire year 1922. Both sales and profits are consolidated and include subsidiary companies.

Young Toronto Chemist With Soft Drink Hobby Created Famous Beverage

John J. McLaughlin Was Son of Founder of McLaughlin Motor Company at Oshawa

CREATED "CANADA DRY"

Original Formula Developed in 1906 Still Used by Present Company —Early History Told

A brilliant young chemist, who wanted to be a doctor, started the Canada Dry business.

John J. McLaughlin was the eldest son of Robert McLaughlin, the founder and head of the McLaughlin Motor Car Co. He originally intended to be a doctor but abandoned the idea and went instead to the College of Pharmacy at Toronto, graduating as a gold medalist in 1886.

From there he went off to Brooklyn, N.Y., for two years and while working as a chemist's assistant became tremendously interested in the making of soft drinks—a business which at that time was very much in its infancy. He came back to Toronto and set up a small establishment on Berti Street, near the City Hall. This original venture involved the bottling of syphons of mineral water which he distributed to doctors and druggists shops in the vicinity. The next move was to a slightly larger office at Queen and Victoria Streets.

Builds First Plant

The business grew rapidly, however, and it was not long before the young chemist was back at his old hobby of mixing flavors and acids and syrups in a search for new and interesting soft drinks. In 1890, aided by his father's capital, new premises were taken on Sherbourne Street, on the exact site of the company's present Canadian plant. So rapidly did the business grow, however, under the guiding genius of the enterprising chemist, that in 1894 an entirely new plant was built on the same site, and the McLaughlin line was extended to include all the popular beverages of the day.

It is indeed a far cry from those early days when one delivery wagon was sufficient to distribute the McLaughlin products, until today when the company's nine plants pour forth a flood of nearly 500,000 bottles of beverage every working day.

From 1902 up until the death of the founder in 1914, J. J. McLaughlin was an invalid. Accordingly, the active management was turned over to other hands, including: N. A. Howie, from 1905 to 1913; Geo. J. Mitchell, who joined the staff in 1906 as a chemist in charge of production, worked with J. J. McLaughlin on the original Canada Dry formula, and is now vice-president of the Canadian company; and A. L. Gourley, who became managing director of the Canadian company in 1914, a position he retained up until a year or two ago, and C. D. Landell, who joined the company in 1904 and has been secretary-treasurer since 1905.

However, despite his poor health in these years, the brilliant chemist lost none of his passion for uncovering new beverages and it was in 1906 that he finally developed and placed on the market the product that is now known in some 48 countries of the world as Canada Dry Ginger Ale.

Formula Never Changed

Almost from the outset, J. J. McLaughlin and his associates worked on a formula for a fine quality ginger ale which would be different from the ginger ale generally manufactured and sold. The result of this work was that a formula for Canada Dry was perfected in 1906 and has been continuously sold and manufactured under exactly the same formula and name until the present day.

With a vision of the rapid growth that was to come to the Canadian northwest, a small plant was erected and started in Edmonton, Alberta, in 1907 and managed from Toronto staff. The plant was opened by A. W. Challand, who joined the company in 1899 as a travelling salesman, and six years later was commissioned by J. J. McLaughlin to go to Edmonton, purchase suitable property and open a plant. Mr. Challand is still the company's Edmonton manager and one of the company's oldest employees.

This original plant (since considerably enlarged, of course) has served the company ever since and it is only within the past few weeks that the company has decided to build an entirely new plant at Edmonton to serve this very important field. In the old days the Edmonton plant was used as a shipping point for points west, south and north and to take care of newly-opened territory, as well as establishing a daily cash revenue from Edmonton proper. It has always paid its way and is now being developed for the dual purpose of a producing depot for the western provinces and a source of export for the Far East.

Side by side with the bottling business, J. J. McLaughlin had built up a substantial business in soda fountain equipment and soda fountain fruits and fruit syrups. This business was not acquired by the new Canada Dry Co. but at the end of 1928 the soda fountain branch was sold to General Steel Wares and the other branch dissolved.

Just prior to the death, in 1914, of J. J. McLaughlin, who up to that time was the sole owner of the business, a new company, called J. J. McLaughlin, Limited, was formed with the following directors: G. W. McLaughlin, president; A. L. Gourley, vice-president and managing director; C. D. Landell, secretary and treasurer; R. S. McLaughlin and D. R. McLaughlin, directors. On the death of the founder, however, the business remained in trust for the benefit of his family, under the control of his two brothers, G. W. McLaughlin and R. S. McLaughlin.

Plans for Expansion

So successful was the reception of the company's new product—Canada Dry—that several substantial offers were made the Canadian company to sell the formula and to establish a factory in the United States. These were rejected because of the declared intention of the company to eventually invade this attractive territory itself. Expansion, however, was difficult in that with control divided among the various members of the McLaughlin family, it was difficult to build up the necessary reserves to provide for such a major expansion. Accordingly, in 1922, when the time seemed ripe for such a move, the support of the two McLaughlins of Oshawa —brothers of the founder—was enlisted.

This enabled the establishment of a small plant on 38th Street, New York, in 1922, under the name, Canada Dry Ginger Ale, Inc., a New York incorporation. A sales company was also established, control of both companies resting in the hands of the parent Canadian company. In the space which the company rented on 38th Street, machinery capable of producing 500 cases of 50 bottles each per day was installed and the manufacture and sale of the product in the United States began.

From the outset the project was tremendously successful. The first car left the U.S.A. plant on April 28, 1922, and for the first few months sales exceeded production enormously. P. D. Saylor was appointed sales manager of the New York branch, and under his aggressive leadership the business was established on a sound businesslike basis.

Events moved rapidly and on December 27, 1923, J. J. McLaughlin, Limited, entered into a contract with P. D. Saylor, who had been managing the American business, to sell to him and his associates all of the issued capital stock of the company and all the capital stock of Canada Dry Ginger Ale, Inc. (the New York corporation, controlled by the former) for a sum of approximately $1,000,000. Similarly the minority stockholders of Canada Dry Ginger Ale, Inc., were subsequently offered a joint cash and stock consideration for their equity.

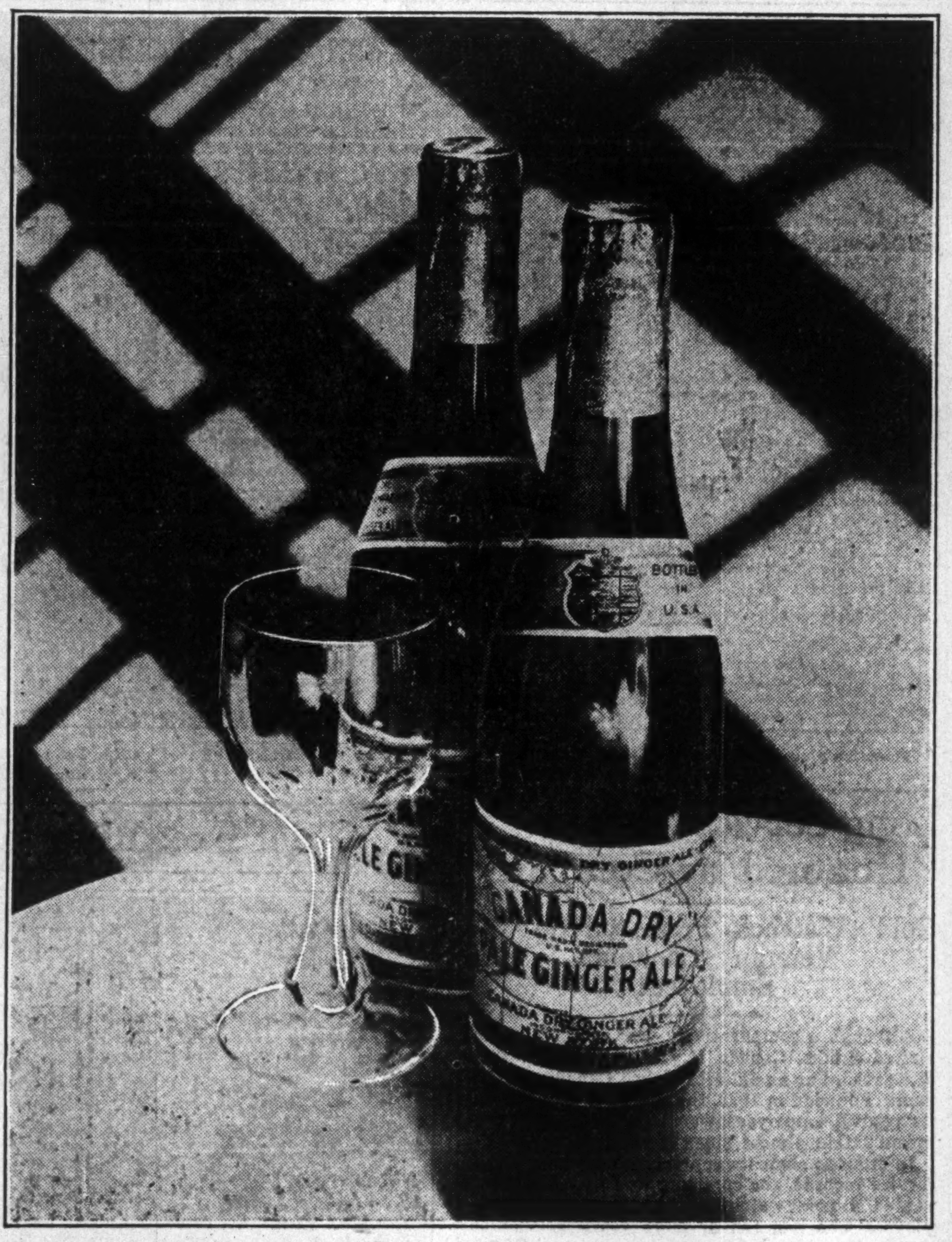
Cheque for $1,000,000 Records Saylor Deal

On the wall of P. D. Saylor's private office hangs a cheque for exactly $1,000,000.

It is made payable to Watson & Roberts and represents the cash transaction which gave ownership of the J. J. McLaughlin Co. to P. D. Saylor and his associates. The deal was completed in April, 1924, just a little over a year after Mr. Saylor joined the organization as manager of the company's New York subsidiary.

Following the death of J. J. McLaughlin in 1914, the business was operated in trust by the executors of estate, and in 1923, an experiment of marketing Canada Dry ginger ale in New York indicated to the company that the field must either be merchandised in a big way and on a scale never previously attempted by the company, or else dropped entirely. Saylor was asked to take the job in the United States and as a result he is now president and general manager of a company whose stock has a current market value of approximately $33,000,000.

Now a World-Famous Product



Chemistry plus merchandising have made this product an internationally-famous drink. The bottle in which Canada Dry is sold, the formula from which it is made, and the label bearing the red map of Canada, are all identically the same as when the product was originally created in 1906.

Many Prominent Men On Canada Dry Board

One Other Native-Born Canadian Besides P. D. Saylor— Ten in All

Canada Dry boasts many important business executives on its board of directors. Most of the directors are personal associates of P. D. Saylor —men who have been associated with him from the first in making a success of the company.

In addition to P. D. Saylor, there is another native-born Canadian on the board, namely, C. George Armstrong, president, Chelmsford Ginger Ale, Inc., who was born in Ontario and conducted a dry goods business. He then moved to New Brunswick and started in the bottling business. About the beginning of the century he moved to Chelmsford, Mass., and started the ginger ale business which now bears his name.

The directorate is as follows:

P. D. Saylor, chairman of the board, president and manager.

C. George Armstrong, president, Chelmsford, Ginger Ale, Inc.

P. M. Boggs, vice-president, Canada Dry Ginger Ale, Inc.

J. M. Mathes, vice-president, N. W. Ayer & Son, Inc., of Philadelphia.

Charles S. Munson, vice-president and director of Air Reduction Co.

Carleton H. Palmer, president, E. R. Squibb & Son.

Robert W. Pomeroy, director, Manufacturers & Traders-Peoples Trust Co., Buffalo, N.Y., and Erie Railroad Co.

R. W. Snow, formerly assistant to the president and now executive vice-president of the company.

Eugene W. Stetson, vice-president and director of Guaranty Trust Co., of New York.

Theodore S. Watson, partner of Watson & White, investment bankers, New York.

There is also an executive committee composed of the following directors: P. D. Saylor, J. M. Mathes, Carleton H. Palmer and Eugene W. Stetson.

Hole-in-One Golfers Get Free Ginger Ale

Are you a member of a Hole-in-One Club?

Perhaps it will be an incentive to you to know that if you ever do make a hole-in-one on any regular golf course, you will be presented with a trophy package (12 bottles) of Canada Dry ginger ale and enrolled as a member of Canada Dry's Hole-in-One Club.

The club has been in operation since 1924 and to date there are no less than 13,000 accredited members.

The only qualification necessary is that you send in to the club secretary at either the company's Toronto or New York offices, your card showing the score signed by yourself, your partner and the secretary of the club. You will be sent a membership card and a trophy package of Canada Dry.

Backed by Good Products, Advertising Builds Business

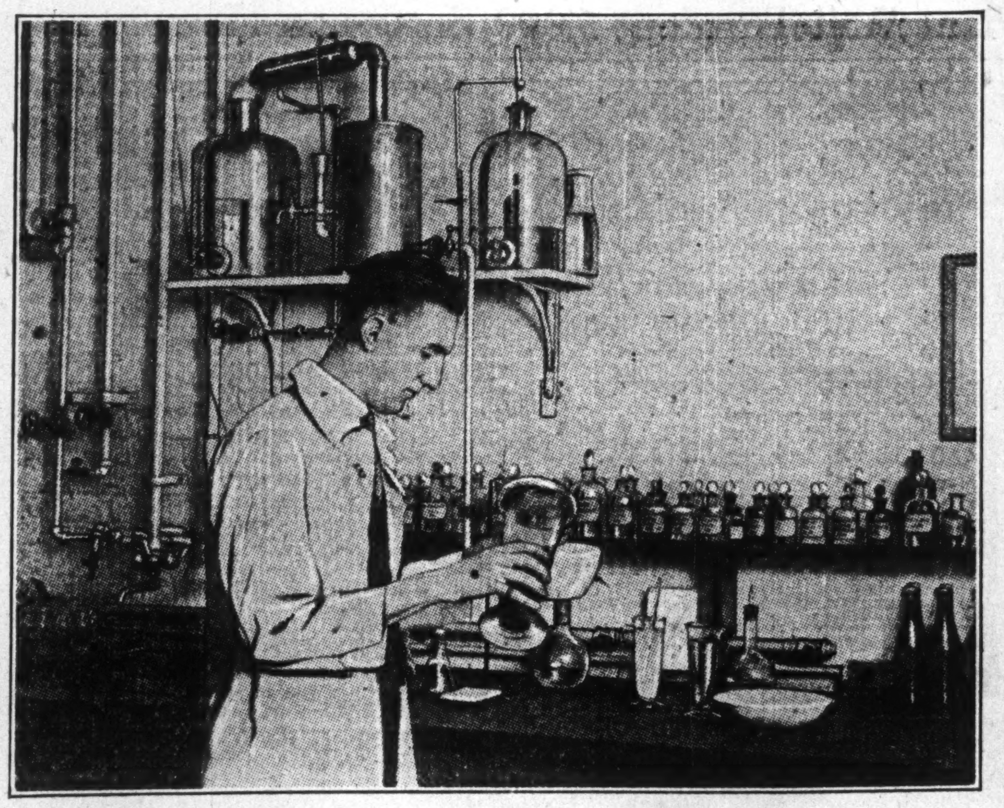
Good products, widespread advertising and thorough distribution have built Canada Dry.

Widespread advertising would not have been permanently effective without good products. Widespread advertising would have been futile without thorough distribution.

There never has been a more concrete example of the power of advertising than in the case of Canada Dry. The buying habits of millions of persons have been changed by the appeal of advertising backed by a good product. Millions drink ginger ale who never drank it before. Millions ask for "Canada Dry" where formerly they asked simply for "ginger ale."

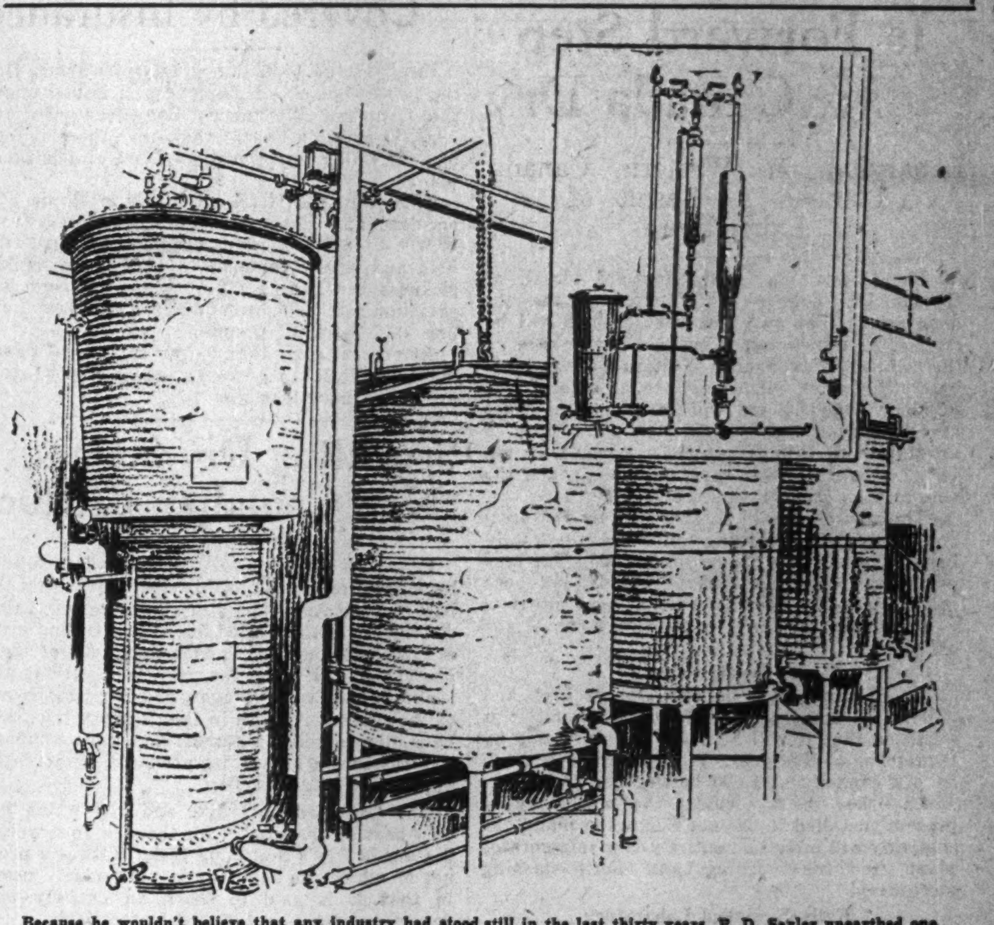
The value of this trade name has been created in a short term of years by advertising. Many of the world's most successful companies have been built on trade names. Ginger ale has been a beverage for generations. There is no indication that its popularity will wane and, while this popularity continues, Canada Dry can be a highly successful company.

Chemistry Plays Big Part in Success



A Toronto chemist created Canada Dry ginger ale and chemistry is still one of the most important factors in the company's success. The company has twelve or thirteen chemists on its permanent staff, most of whom are Canadians.

Lloyd Process Saves Company Fabulous Sum



Because he wouldn't believe that any industry had stood still in the last thirty years, P. D. Saylor unearthed one of the most important discoveries the beverage business has ever made — the Lloyd process for making ginger extract.

Lloyd Process Crowns Efforts Of Many Years

Famous Chemist's Discovery Ensures Uniform, Low-Cost Product

It is the boast of the makers of "Canada Dry" ginger ale that every bottle in every shipment, and every shipment from every factory shall be absolutely uniform—year in and year out. The ginger-ale public whether they sip their beverage under the sunny skies of France or the sea-swept coasts of Chile, demand uniformity of flavor and texture as the "sine qua non" of loyalty to any one particular brand.

To achieve this absolute uniformity has always been a difficult task, even when there was only the one plant on Sherbourne Street, Toronto, and when only one or two million bottles of Canada Dry were manufactured each year. But when today there are no less than five huge plants in Canada and the United States turning out largely Canada Dry and with a total output of over 120,000,000 bottles a year, distributed to 45 foreign countries, the task becomes magnified a hundred-fold.

Accordingly, years of experimentation have been devoted to the development of special processes and equipment which will not only ensure absolute control as to the uniformity and quality of the product, but also to increase at the same time the manufacturing efficiency of the plants.

Controls Lloyd Process

The culmination of these efforts has been the perfection and adoption by the company of the Lloyd process and apparatus. The process derives its name from Professor John Uri Lloyd, of Cincinnati, one of the leading authorities on pharmaceutical botany and chemistry on this continent, who developed it for the Canada Dry Company. As used for beverage purposes, the process is entirely controlled by Canada Dry.

In order to understand this process, which is essentially concerned with the preparation of the constituents of ginger ale, some explanation is necessary as to how the ginger root is used in the preparation of this beverage.

Ginger is an exceptionally complex vegetable substance. The fresh ginger root consists of a core covered by a thin frail tissue like skin or bark. The core is yellowish-white color and in appearance and structure is not unlike the core of a raw turnip or cabbage stock, consisting as it does of fibrous strength-giving elements interspersed with resinous cells. The fibre elements contain the peppery constituents which are so dominant in most commercial ginger extract. The resinous cells contain the essential oils wherein are harbored those essences which lend to fresh ginger root a very pleasing fragrance not unlike fresh orange or lemon peel. These essential oils also contain the elements which impart the delicate flavor associated with the really fine ginger extract.

The constituents which, in the natural root provide this aroma and delicate extract of ginger taste are so volatile and evanescent that during ordinary processes of drying the root a great part of them disappear. Likewise, in processes of extraction other than this particular process, these aromas and delicate flavor constituents are often lost even though they were retained during a proper drying of the root. Of course, the peppery constituents commonly associated with ginger, and which are found in the fibre elements, do not disappear either in drying or in the ordinary processes of extraction.

Capturing Elusive Aromas

The problem which the Lloyd process undertakes to solve, is the capture, both in the drying and extraction processes both the aroma constituents, and the more delicate flavor constituents, and the proper proportioning of these in the final extract. If this proportioning of these various constituents of ginger is properly accomplished, the result is an extract with a warm, friendly, pleasant ginger bouquet not unduly peppery, of course, but with a thorough tang to it.

Under this special process, which was finally put into operation in the company's plant a little over a year ago, the company can produce a liquid ginger which completely preserves the essences found in the resinous oil cells. Not only are these vital essences preserved, but this process ensures that the final liquid ginger extract will embody the same proportion of peppery element and volatile constituents as were originally provided in the root. Thus, the ginger extract used by the company retains not only all the natural constituents of the root, but most important of all—maintains the same proportion of these elements as are to be found in the natural state.

Before the Lloyd process was secured, substantially the same result was achieved by painstaking expensive extractions on a small scale. Now, however, with the Lloyd process the company obtains the same result with absolute certainty that the extract will never vary in its proportions or blend no matter how large a batch is required.

Company Builds Yearly Success On Advertising

This Year's Appropriation Amounts to Over $1,250,000

1931 WILL BE HIGHER

Annual Budget Always Ahead of Sales and Has Always Been Justified —Big Lineage Used

Advertising has been one of the very fundamentals on which the success of Canada Dry ginger ale has been built.

This year alone the company will spend close to over $1,250,000 in advertising in one form or another and for 1931 a further increase in the company's budget is already planned.

Ever since he joined the organization, P. D. Saylor, now president and general manager of the company, insisted that a large sum be appropriated each year for advertising and his foresight—clearly shown in the days when there was very little or no national advertising in the ginger ale business, — has been repaid many times over. Incidentally, Mr. Saylor blames advertising as one of the reasons why he was able to buy the business in 1924.

At the beginning of that year Mr. Saylor got the parent Canadian company to O.K. an advertising appropriation for $250,000. This was a colossal and almost undreamed of expenditure for a product which had hitherto enjoyed more or less of a local market.

Down From Canada

However, the advertising ball—as far as the United States was concerned — really started rolling on April 29, 1923. On that day, just two months after Mr. Saylor joined the organization, full page advertisements featuring the now-famous "Down From Canada" copy, appeared in the color and roto sections of several New York papers. The response was almost uncanny and from then on the company's capacity was literally taxed to capacity, despite various additions to plant, in order to satisfy demand. Incidentally this same copy, with a few changes as to details, has been featured once a year ever since, partly for sentimental reasons and partly because the company believes it is one of the finest and most interesting pieces of copy ever written about the product.

Since then the company's appropriation has steadily gone upwards and sales have followed suit. This is literally true for Canada Dry's advertising budget is always planned far in advance of actual sales.

Campaign Details Shown

Some idea of the national scope of the company's advertising is indicated by the following schedule showing in summary form the company's campaign for the first nine months of 1930:

U.S. Advertising Campaign, First 9 Mos. 1930

Total magazine circulation	12,687,785
Total individual magazine advertisements	74,992,771
Total newspaper circulation	25,776,051
Total individual newspaper advertisements	438,192,867
Total number of newspapers	563
Total newspaper lineage	3,808,830
Grand total circulation (magazine and newspaper)	38,463,836
Grand total advertisements (magazine and newspaper)	513,185,638

In addition to its United States campaign, the company also used 82 Canadian newspapers with a circulation of 2,002,248 and seven Canadian magazines with a total circulation of 470,368.

Many Dealer Aids

Then, too, apart from its national advertising in both Canada and the United States, the company puts out each year a continual stream of dealer helps, display pieces and pamphlets, designed to encourage jobbers and wholesalers to push the sale of Canada Dry to retail outlets. It must be remembered that in the United States the bulk of the ginger ale sold is distributed through jobbers who deal direct with the retailer. Therefore, these retailers and jobbers must be continually informed as to why they should handle Canada Dry and so forth.

Home Economics Bureau

Another feature of the advertising broadside is a department of home economics operated by the company and in charge of an accomplished dietitian "Betty Beldon." This department has a small, well-equipped kitchen right in the company's head office at New York and various new recipes are created from time to time to be supplied to dealers and newspapers. The company also has a small recipe book which it publishes in this connection showing many unusual uses for Canada Dry.

Edmonton Plant Is Forward Step For Canada Dry

Expansion in Western Canada Planned as Result of Expenditure

The latest step in the forward march of Canada Dry Ginger Ale, Limited, is the announcement that an entirely new plant will be erected at Edmonton, Alberta, to take care of the company's expanding Western Canada business. The plant will be erected at a total cost of about $100,000 and will be almost an exact model of the company's Chicago plant situated at Maywood, Illinois, which is considered the very last word in this type of building, and the finest of its kind on this continent.

The new plant will replace entirely the present plant and site which was originally established by John J. McLaughlin in 1905. The land on which the present plant stands has been appropriated by the city and the new site was given to the company in part payment of the old site.

5,000 Bottle Capacity

The building will be two storeys high and will be of stone and brick construction. It is expected that it will be ready for operation by September of this year. When completed it will have a capacity of 5,000 bottles per hour.

In order to supplement the machinery at present installed in the old Edmonton plant, the company will install an entirely new refrigerator plant and new filling and bottle-washing machinery.

Fully-Equipped Laboratory

A feature of the new plant will be a fully-equipped laboratory, in charge of a graduate chemist and bacteriologist, for establishment of the company's institutional sanitary control, practiced at all of its plants, as well as for research work in beverages for the betterment of the industry as a whole.

The dimensions of the building will be 120 by 168 feet. Its roofs will be of the monitor type, providing plenty of sunlight. It is expected that the personnel of the present Canada Dry plant here will be enlarged to care for the greater demands that occasion the erection of a larger plant.

Proud of Achievement

"We are particularly proud," says H. L. Richeson, president of the Canadian company, "to bring to Edmonton an exact reproduction of the most modern bottling plant in the United States. Not the least feature of our new building will be the enlarged laboratory facilities where research and our usual sanitary control methods can be followed more easily and advantageously. Canada Dry has maintained a fellowship on beverages at Mellon Institute, University of Pittsburgh, for several years. Through this endeavor, it has developed the ginger ale business to its present high standards by maintaining individual laboratories under competent supervision at all of its plants.

"With the new plant ready in the fall, we shall be in better position to meet an increasing demand and to extend our operations to the greater satisfaction of the public."

Canada Dry Sold In 48 Countries

The sun never sets on Canada Dry.

Today, after seven years of one of the most intensive and successful sales campaigns in the history of beverage merchandising, Canada Dry is for sale in no less than 48 countries of the world.

Every continent knows the company's trademarks and labels and as a result of the company's widespread publicity the familiar map of Canada upon which is imposed the words "Canada Dry Pale Ginger Ale," has been introduced to almost every clime and tongue.

Here is a list of the countries where this product is sold:

Argentina
Australia
Bahamas
Barbados
Bermuda
Brazil
British Guiana
British Honduras
Chile
China
Colombia
Costa Rica
Cuba
Dominican Republic
Dutch West Indies
East Africa
Ecuador
East Indies
England
France
Germany
Guatemala
Haiti
Honduras
India
Italy
Jamaica
Java
Manchuria
Mexico
New Zealand
Nicaragua
Norway
Panama
Peru
Philippine Islands
Porto Rico
Saint Vincent, B.W.I.
Salvador
Straits Settlements
Trinidad
Uruguay
Venezuela
Virgin Islands
West Africa

New Orange Drink Has Fine Container

Canada Dry Achieves Innovation in Bottling History

Canada Dry is about to place on the market in the United States a new orange drink of which it is very proud. It will be called Canada Dry's Sparkling Orange. The drink is a carbonated beverage made from pure natural orange juice without preservatives or artificial color.

One feature about this product about which the company is particularly proud is the specially-made bottle which marks a new development in the bottling of carbonated beverages.

The bottle is made of ordinary flint glass, which when it is still red-hot, is taken from the mold and is subjected to a blast of orange coloring from a pressure gun. The coloring is metallic oxide and is immediately absorbed and impregnated into the bottle. The result is an iridescent, orange-tinted container resembling not only an orange in color, but also in texture. It is said that never before has such a process being applied to the making of bottles, and particularly to beverage bottles which require to be exceedingly strong due to the pressure to which they are subjected.

Bottom Left Clear

The bottom of the bottle is left clear so that the contents can be easily seen before opening, if the prospective customer so desires. The company is having its name printed on the base of the bottle.

The bottle manufacturer who is supplying the new product is at present working night and day in an effort to supply the company's needs, and the company has been granted exclusive rights by this particular bottler to the use of the bottle for one year.

Canadian Employees Covered by Insurance

In all of the Canadian plants of Canada Dry the protection of all employees is issued under the Canadian Workmen's Compensation Law. Also, in addition to this they have the privilege of subscribing to the company's group insurance plan.

This plan enables all employees to obtain life, accident and sickness insurance ranging from $2,000 to $10,000, in accordance with position held and salary commanded as well as weekly sickness benefits of $10 to $40, at a very low premium rate. The company pays approximately one half the total premiums.

At present more than 95 per cent of all Canadian employees are taking advantage of this attractive insurance plan.

Sparkling Dry Soda New Canadian Product

Four new additions to the Canada Dry family have been introduced to this continent within the past few months. Three of these are just being distributed in the United States, while the fourth is now being sold in Canada only. All of them are considered to be the very last word in the realm of quality beverages, and it is significant of the company's faith in their quality that they have all received the highest honor the company can bestow on any of its products, namely, the appellation—Canada Dry.

The Canadian beverage, and one which has only been on the market for three or four weeks, is Canada Dry's Sparkling Soda. This is a product of which the company is particularly proud in that it is said to mark an entirely new departure in the carbonated water field.

It is claimed that this product possesses amazing powers of longevity in that it can be left open for hours and even days without losing its pep and sparkle. It can be used alone as a refreshing drink for its important medicinal properties, or it is admirable to serve with fruit juices or other beverages. Among other things this new drink is designed to replace the old bi-carbonate soda tin that is brought from the medicine chest in times of duodenal stress and also to replace the old-fashioned syphon so familiar in non-prohibition countries.

The other products, which are being launched this season in the United States, include a new natural-juice, carbonated orange drink called Canada Dry's Sparkling Orange; a new Belfast style ginger ale called Canada Dry's Golden Ginger Ale; and an entirely new lime drink called Canada Dry's Sparkling Lime.

The labels for the new products are distinguishable from the pale dry label in that the possessive form of the name Canada Dry is used and the coloring of the labels differ. The golden ginger ale, which is put up in a sixteen-ounce bottle, has a label of buff background, red lettering and a characteristic Canada Dry map in the centre, upon which the word "golden" stands out in sepia lettering bordered with yellow. The neckband also is of buff relieved by the well-known Canada Dry shield. The sparkling lime bears a label similar to the pale dry ginger ale in that it has the characteristic Canada Dry map as a background. Lettering is in Chinese red bordered with yellow. The neckband is of harmonizing green relieved by the shield.

New Canadian Product

CANADA DRY'S
SPARKLING
SODA
CANADA DRY'S
SPARKLING
SODA
Canada Dry Ginger Ale Limited

Canada Dry is extremely proud of its latest product which was introduced to the Canadian market a few weeks ago. It is being sold in Canada only.

Company Proud of Long Service Record of Its Canadian Employees

These thirty employees from the Canadian plants of Canada Dry were all presented with gold watches last year by P. D. Saylor, in honor of having served ten or more years with the company. The average length of service in the group is 18 years and the oldest employee has been with the company 31 years.

Long Service Records Honored by Company

Gold Watches Presented to 30 Veteran Canadian Employees

Although a comparatively new concern in the United States, Canada Dry is extremely proud of its record as an old-established Canadian company. Founded in 1890, the company still has on its payroll employees who have been with the organization almost since it started.

In order to show its appreciation of these long-service records, the company in July, 1929, presented a gold watch to every one of its employees who had ten or more years' service to his credit. Altogether 30 employees qualified, of which one was a woman. The watches were presented personally by P. D. Saylor, president and general manager of the company.

Oldest Served 31 Years

The oldest employee is one of the company's drivers, Alfred Louthood, who had at that time served 31 years with the company. He is still on the payroll. The total length of service represented by the 30 employees was 555 years, or an average of eighteen and a half years each. A. W. Challand, manager of the company's Edmonton plant, has been with the company 30 years. The one woman receiving the honor, had 14 years to her credit.

George J. Mitchell, now vice-president of the Canadian company, has been with the company 23 years, while C. D. Landell, secretary-treasurer at Toronto, has 25 years to his credit.

Common Shares Are Only Capital

Neither Bonds Nor Preferred Stock Exist to Claim Prior Earnings of Canada Dry

From the investors' point of view, one of the satisfactory features of Canada Dry is that the common stock is the only charge on assets and earnings, there being no other capital liabilities of any description, the only liabilities to the public being the current trade bills.

Canada Dry Ginger Ale, Inc., has an authorized capitalization of 800,000 shares, of which 510,584 shares have been issued. The various issues have been:

A total of 428,000 shares issued in exchange for 52,000 of Class "A" shares and 55,000 shares of Class "B" stock of Canada Dry Ginger Ale, Inc. (the Virginia corporation which preceded the present Delaware corporation,) which constituted all of the issued stock of the Virginia corporation. This exchange was on the basis of four shares of the present company for each share of the Virginia corporation.

Prior to 1926, a total of 13,244 shares had been sold to employees for cash.

Stock dividends totalling 22,083 shares, or 5 per cent of the issued capital, paid between April 15, 1926, and January 15, 1927, each dividend being at the rate of 1¼ one-hundredth of a share for each share held on the respective dividend dates.

On August 6, 1928, 46,333 shares were offered to shareholders at $60 per share, shareholders being entitled to buy one additional share for every ten shares held.

Employees' purchases of shares at $50 in accordance with the offer of May 21, 1928, payable over a period of years, since has brought the issued capital to 510,684 shares. As at September 30, 1929, employees of the company held a total of 14,268 shares.

Chief Executives of Canadian Company

GEORGE J. MITCHELL H. L. RICHESON C. D. LANDELL

Canada Dry Ginger Ale, Ltd., is the Canadian operating subsidiary of Canada Dry Ginger Ale, Inc., with head office at Toronto. H. L. Richeson is president and general manager; George J. Mitchell is vice-president, and C. D. Landell is secretary-treasurer.

Far Flung Network Sells Canada Dry Across Continent

Merchandising of Nationally Used Product is Big Undertaking

The merchandising of Canada Dry is a story in itself.

Every morning from the company's Toronto, Montreal and Edmonton plants, between 50 and 60 fast delivery trucks of 2½-ton capacity leave the shipping room door with a full assortment of beverages. These are all packed in the early hours of the morning by a special staff so that they are ready for the road at 7 a.m. They visit all the company's retail outlets in these cities, deliver the goods that have been ordered the day before, and pick up empties.

In addition to the network of outlets covered from the company's own plants, warehouses are now maintained in other populous districts such as Hamilton, Calgary, St. Catharines and quite recently in Vancouver. Here also the company maintains its own green and white trucks and the same system of local delivery and pick-up is in effect.

As a result of the very intensive sales system in force which has been developed at Toronto, it is interesting to note that in that city, per capita sales of Canada Dry are higher than in any other city on the continent.

As well as this local distribution system which covers the larger cities, the company at all other shipping points in Canada sells its products through jobbers to the trade. In some cases it has been found advantageous to appoint a distributing jobber with warehouse and truck delivery to cover an assigned territory and give a local delivery, picking up empties and covering the trade regularly.

Some indication of the strides made in Canada in the past few years is shown by the company's sales, which were less than 1,700,000 bottles in 1922 and in 1929 soared to over 15,000,000 bottles. Per capita consumption of Canada Dry is still considerably higher in Canada than in the United States, in spite of the phenomenal strides that have been made in the latter territory.

In the United States an entirely different system is in vogue. There Canada Dry is handled entirely by jobbers and the company makes only the occasional contact with the trade direct.

Distribution in the States is obtained through six district offices and a separate western sales company. The district offices are situated at New York, Boston, Philadelphia, Chicago, Atlanta and St. Louis. The western sales company is called Canada Dry Western Sales Co., and has its office at Los Angeles. It has direct outlets through Seattle, Portland, San Francisco and Dallas. Each district office has a district manager and one or more assistants. Under these managers are zone managers who contact directly with the jobbers in each territory. The company has on its own payroll over 100 salesmen and managers, in addition to the 2,000 jobber outlets who each employ probably from 5 to 45 men.

Chain stores are considered in the same category as jobbers and sales are made to them direct. The company supplies its product regularly to some 150 chains in the United States.

Investment Interest is In Holding Company

Canada Dry Ginger Ale, Inc., the Delaware company, is a holding company only. The manufacture and sales are entirely in the hands of subsidiary organizations, the principal ones being:

Canada Dry Ginger Ale, Inc., the Virginia company, which operates factories at Hudson, N.Y., and Maywood, Ill.

Canada Dry Ginger Ale, Ltd., the Canadian company, with factories at Toronto, Montreal and Edmonton.

G. B. Seely's Son & Co., with a factory in New York and distributing organization for the metropolis and environs.

Chelmsford Ginger Ale, Inc., serving the New England market.

Further Acquisitions Are Likely in Future

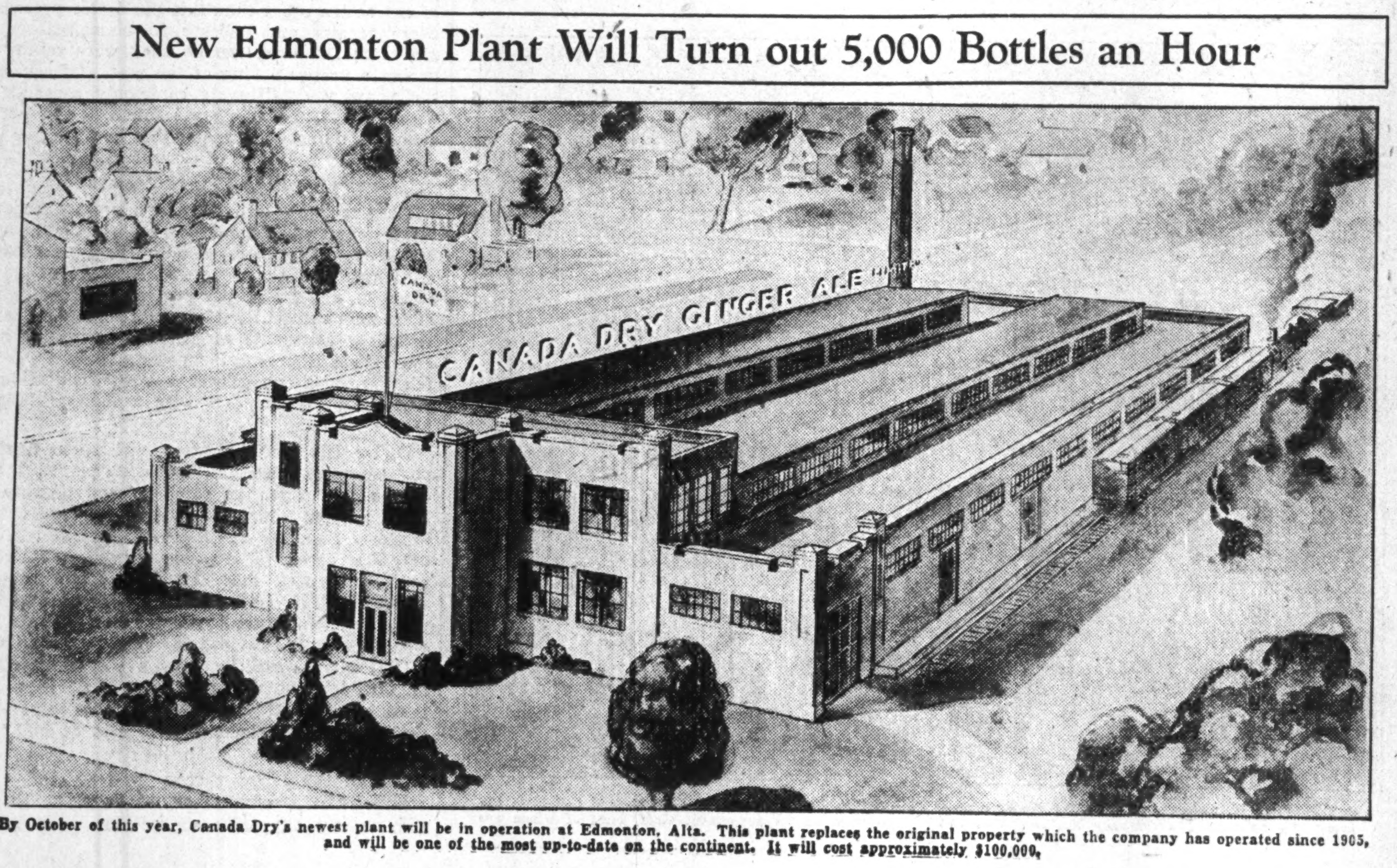
Whether Canada Dry Ginger Ale, Inc., will absorb additional companies in related lines of business depends on the opportunities that present themselves. With plants in the Eastern States to serve the most populous market, with a plant in Illinois to serve that market and the west and Southwest and with three plants excellently located in Canada, the company is in position to expand from within. At the same time, it is possible that other companies will be taken in as such companies are available.

Among the advantages of acquisition of local companies, is that Canada Dry can continue to greater advantage to distribute its own products with their valuable trade names in those areas and at the same time permit a subsidiary company to manufacture and sell its own products, which normally have good local reputations. In most instances, the price scale of the products of the local companies are somewhat under those of Canada Dry products, so that a slightly different clientèle, with a considerable aggregate buying power, is served to the advantage of all concerned.

This has been the fact with the Seely company and the Chelmsford company and in future some expansion along this line reasonably may be expected to the advantage of the shareholders in that gross sales and net profits will be increased.

It is worth while further to emphasize, however, that Canada Dry is not in the position of a company which finds it imperative to acquire new units. National and international distribution has been achieved through an aggressive sales and advertising policy and expansion can continue indefinitely under these conditions.

New Edmonton Plant Will Turn out 5,000 Bottles an Hour



By October of this year, Canada Dry's newest plant will be in operation at Edmonton, Alta. This plant replaces the original property which the company has operated since 1905, and will be one of the most up-to-date on the continent. It will cost approximately $100,000.

Makers of Bottles Get Big Business From Canada Dry

Company First to Inaugurate Emerald Green Bottle for Product

If one bottle company were able to supply the entire needs of Canada Dry Ginger Ale, Inc., it would have a permanent job on its hands. The company is by far the largest individual user of beverage bottles on this continent and a steady stream of emerald green containers pours in each day to its nine plants in Canada and the United States. A year's supply if laid end to end would extend some 22,600 miles or about seven times across the Dominion.

Last year the company's output, measured in bottles, was about 117,000,000 and this year the company will considerably exceed this record. Back in 1922, before the present company started its meteoric rise, the entire year's output was less than 2,000,000 bottles.
turns out this much product in one single day.

First to Use Green Bottles

Incidentally, Canada Dry, back in the days when it was known as the J. J. McLaughlin Co. of Toronto, was the first company to use the emerald green bottles. They have been used ever since and are now a permanent part of the company's stock-in-trade. Since that time the emerald green bottle has of course become exceedingly popular, but when it was first used by Canada Dry it was considered quite unique.

In Canada, the majority of the company's business is done direct to retailers and the company's own trucks deliver the full cases of product and pick up the empties. In the United States, however, the company does not make a practice of collecting empties.

This may seem extravagant but there is apparently no alternative as the method of distribution in the U. S. A. is through direct sales to the jobbers. The long distances between the plant and the market is also a factor which makes it cheaper for the company to use new bottles.

All Treated Alike

However, irrespective of whether the bottle is a new one or a "return," the method of treatment when they arrive in the factory is the same. Every bottle must pass through the automatic bottle washers which are fed at the rate of 180 per minute. A number of caustic soda solutions at different temperatures, four scrubbings inside and out, with bristles that revolve at the rate of 1,800 r.p.m., and then several final rinsings, form part of the treatment. The entire trip takes about 20 minutes for each bottle.

In Canada the company sells its product in quarts, pints and splits. The Canadian quart holds 30 ounces and the pint between 12 and 13 ounces. The split holds 7 ounces. In the United States only pints and spits are put up.

Details of Output

The following figures indicate just how the company's production is divided as between the various types. The company changes its fiscal year in 1929 so the figures shown are compiled as between October 1, 1928 and Oct. 1, 1929.

Sales of Canada Dry
(Oct. 1, 1928—Oct. 1, 1929)

	No. of Bottle
Pints (Canada Dry)	
U. S. A.	104,408,760
Canada	6,502,944
	110,911,704
Splits (Canada Dry)	
U. S. A.	4,224,192
Canada	4,909,602
	9,133,794
Other Flavors	21,259,464
Grand Total	141,304,962

Business Got Too Brisk Company Closed its Doors

'Way back in 1921, Canada Dry—then known as J. J. McLaughlin Co.—actually had to close its doors, so great was the rush of business to its plant.

During the summer of 1921, a long sustained heat struck the city of Toronto, which lasted for many weeks. Ordinarily the company kept sufficient reserve stock on hand to last for at least a week. This reserve, however, soon started to disappear and the plant was working day and night to try and keep abreast of demand and hold what little reserve it had left.

The company's delivery trucks and vans proved entirely inadequate to supply soft drinks as quickly as the stores could sell them, so an advertisement was put in the daily papers telling citizens that if they could not get served at the stores, they might come direct to the company's Sherbourne Street plant at Toronto and get their Canada Dry themselves.

So great was the rush of custom, that the company was temporarily forced to close its gates to prevent the plant being taken by storm.

J. J. McLaughlin Supplied Water to Thirsty Toronto

"Once upon a time ———," when there was a very serious epidemic in the city of Toronto, the firm of J. J. McLaughlin, originators of Canada Dry Ginger Ale, supplied the city—or a portion of it—with drinking water. This was in the days before filtration plants were what they are today and when almost anything was liable to happen if a few hardy typhoid germs got circulating in the city water pipes. The company delivered huge glass bottles of its spring water around to the citizens and also supplied its specially filtered water until the epidemic had subsided.

Today, according to the company's chemists, Toronto's city water is considered one of the very best—if not the very best on the continent as compared with other big city systems. The company at the Toronto plant uses all city water which is first softened, then triple filtered, then subjected to ultra violet ray treatment, thoroughly chilled and carbonated.

Central Control Lab. Located in New York

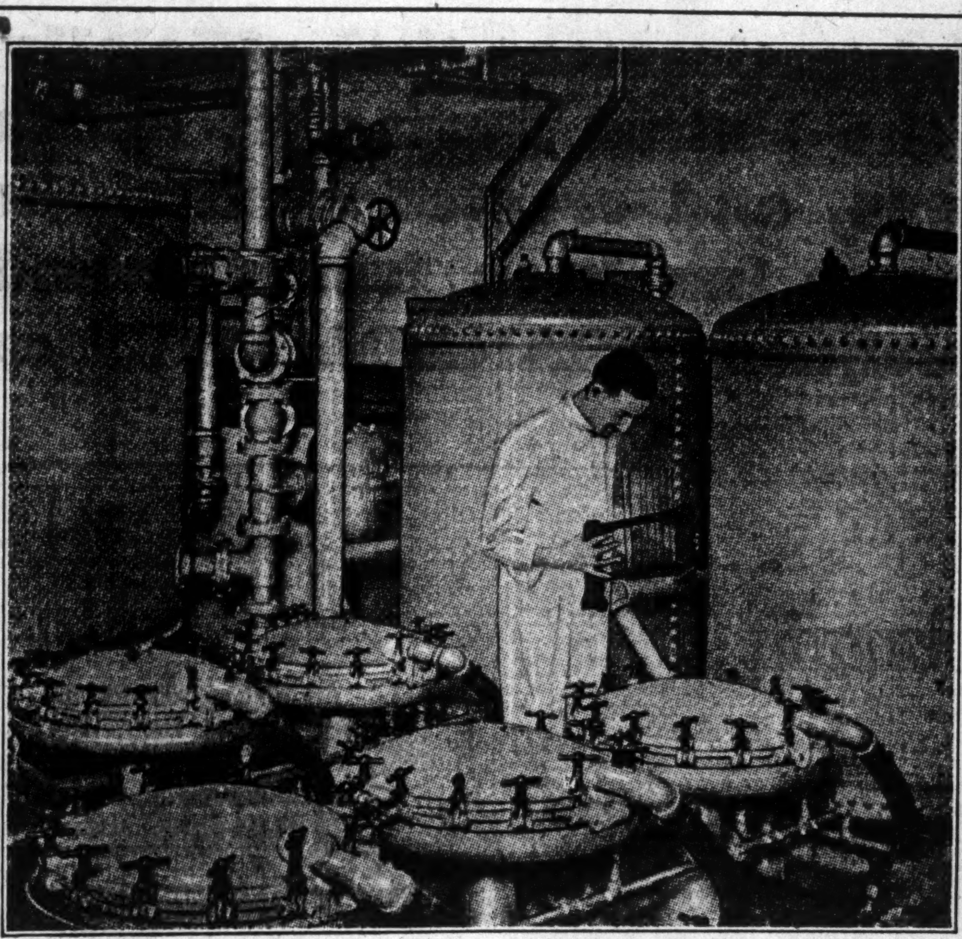
In addition to its research laboratories which are maintained in each of the company's plants, Canada Dry has a central control laboratory located in the heart of New York City on 44th Street.

In this laboratory all the samples of product which are taken half hourly from the current "make" of ginger ale, are re-tested to secure that every bottle shall be uniform both as to quality and flavor. If any should prove to be at fault it is an easy matter to have the source traced as all ginger ale made by the company is stored in its various warehouses for at least a month after being manufactured.

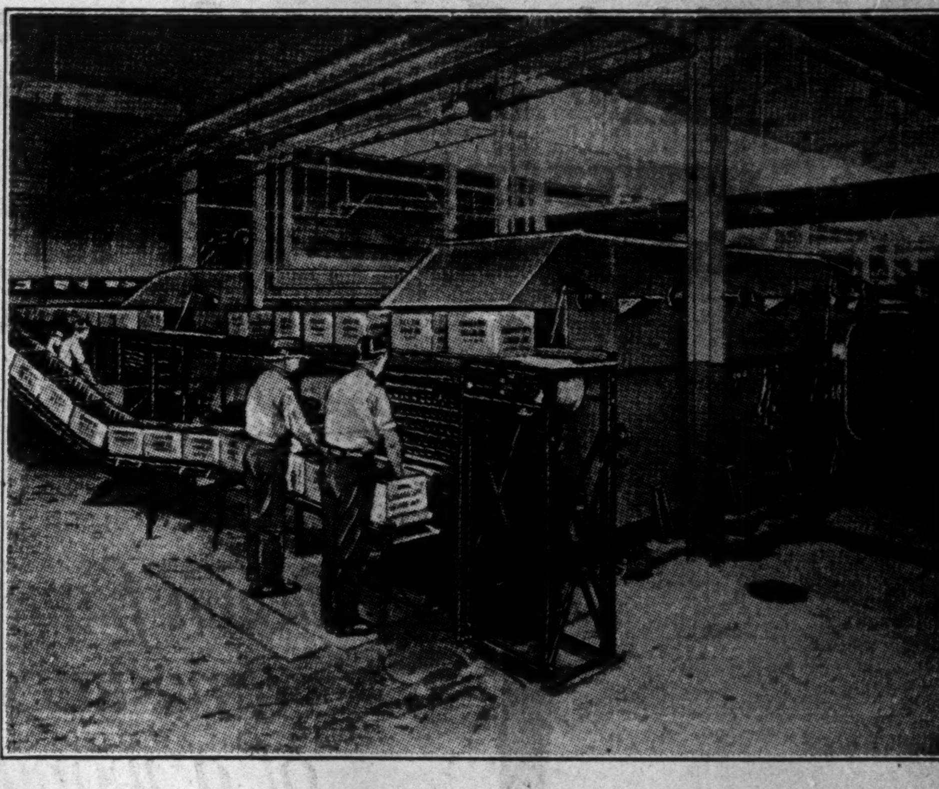
In addition to checking the finished product, this control laboratory also keeps a check on all raw materials that are used, and conducts scientific research on beverage problems.

Pictures Tell Story of How Canada Dry Ginger Ale is Manufactured

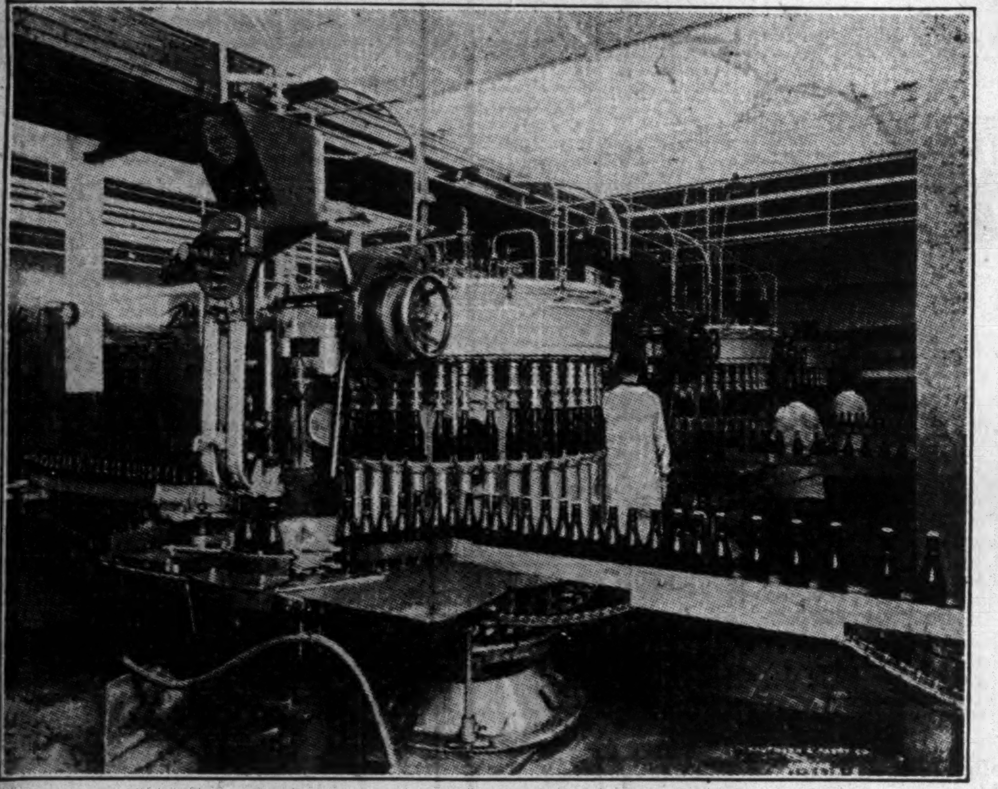
Hand-peeled Jamaican ginger-root bleaching in the sun preparatory to being shipped to the company's Hudson, N.Y., plant to be made into extract.



The water being triple-filtered on its way to the filling machines. All water is softened, triple-filtered, and forced through ultra violet rays before it is finally chilled and carbonated.



The huge bottle washers which suck up bottles at the rate of 180 a minute. Four caustic soda solutions, and inside and outside scrubbings from bristles revolving at 1,800 r. p. m., form part of the treatment.



After the syruping machine, which leaves an exact amount of syrup-extract in each bottle, the carbonated water is forced in here and the bottles are crowned automatically under 700 lbs. pressure.

From the Island of Jamaica To the Tables of the World

The chief ingredient of ginger ale is, of course, ginger-root. Canada Dry ginger comes from Jamaica, which is said to produce the finest root in the world. It is hand-peeled by natives, then laid in the sun to cure. The company maintains its own resident buyer in Kingston, Jamaica. The ginger is sent direct to the Hudson, N.Y., factory and is transformed into a marvellous liquid ginger which is said to retain all the properties of the original root. The process is called the Lloyd process and is owned exclusively by the company. Just what it is, is one of the company's most closely guarded secrets.

This liquid ginger then forms the base of the extract which is shipped in big steel drums to each of the company's plants. Here expert chemists turn the extract into a syrup which is automatically fed from huge glass-lined tanks into the syruping machines. These machines measure an exact amount of syrup into each bottle.

The bottles pass on in one continuous line to the next machine where pure carbonated water is poured in and the crowns or caps are snapped on at the rate of 80 bottles a minute. The next operation is performed by an almost human machine which applies the labels and tinfoil at the neck of the bottle—all in the twinkling of an eye. After minute inspection the product is then ready to be packed and distributed to all parts of the world.

"CANADA DRY"
The Champagne of Ginger Ales
G.A.R.X. 9162

Here is one of a fleet of 250 specially constructed refrigerator cars made for and leased by the company. They operate in all parts of the United States, from the company's Maywood, Ill., and Hudson, N.Y., plants.

Merchandising Plus Chemistry Equals Success

Two Ingredients Are Essential for Permanent Success in Beverages

The beverage business is really chemistry plus merchandising.

These are the two ingredients for success and both are necessary if the fickle public palate is to be permanently wooed. They are certainly the recipe out of which the phenomenal success of Canada Dry has been achieved.

The founder of the business was, of course, a chemist. For the chemist must come first—then the merchandiser, and Canada Dry has been blessed with the brains and genius of two leaders in each of these vocations.

The original "Canada Dry" recipe was evolved after years of effort by John J. McLaughlin, eldest son of Robert McLaughlin, famous Canadian carriage builder of his day and generation, who created at Oshawa the business now known as the Canadian plant of General Motors and employing several thousands of men and many millions of capital.

Began Business in 1890

Two sons followed their father into the carriage and ultimately the automobile business, but "J. J." with his bent for chemistry, spent his working hours amid retorts and test-tubes and eventually began the manufacture of carbonated and non-intoxicating beverages in 1890. His hobby was making new drinks and he never tired of experimenting with new formulae and recipes for these so-called soft drinks.

It was not, however, until 1906, after years and years of effort, that he finally achieved a dry ginger ale which he considered to be an ideal beverage of that type.

It was just such a drink that John J. McLaughlin achieved, and it is a monument to his genius and skill that in the twenty-four years since he first placed his dry ginger ale on the market, there has been not the slightest deviation from the original formula, although, of course, continuous and infinite pains have been taken to improve the methods of manufacture so as to ensure absolute uniformity in the product and maintenance of the high standards of quality set by the original makers.

Then there is the merchandising ingredient of the beverage recipe.

Although Canada Dry has always had the same excellent qualities which it possesses today and which have now made it the best selling ginger ale in the world, the phenomenal growth of the past seven years has been a merchandising story rather than chemical achievement. Chemistry under the guiding genius of the late J. J. McLaughlin gave the product its inherent quality and distinctive bouquet, but it was the amazing merchandising skill of P. J. Saylor, which put this same product across the entire United States and in 45 countries of the world and increased its sales in seven years by over 2,300 per cent.

These then have been the ingredients for Canada Dry's success—chemistry and merchandising—plus, of course, the brains and genius to mix them properly. Each is dependent on the other even now, for let one slip—even for ever such a short time—and the other will slip, too. Fortunately, for this concern, however, the standards of skill and genius in each branch of the business were never better than at the present time.

Company Shareholders Number Nearly 5,500

Canada Dry has about 5,500 shareholders in various parts of Canada and the United States. There is also some of the company's stock held by investors in foreign countries.

Control of the company rests in New York, a check-up in 1929 showing that there were between 1,500 and 2,000 shareholders in that state in 1929, holding nearly 380,000 shares of stock as against a total outstanding capital of 510,684 shares. The company's shareholders in Canada have increased by over 70 per cent during the last year. The company has at least one shareholder in every state of the Union.

It is interesting that there are over 1,500 women shareholders on the company's books, and over 3,000 people holding 25 shares or less; 95 per cent of the shareholders own less than 100 shares. The company has only one class of stock outstanding, and the annual dividend rate is $5 per share.

Chelmsford Company Sells in New England

Latest Canada Dry Acquisition Has Well-Established Business

The Chelmsford Company, whose assets and goodwill were purchased by Canada Dry Ginger Ale, Inc., as of the close of business September 30, 1928, was established thirty years ago in Chelmsford, a suburb of Lowell, Mass., by C. George Armstrong, who had previously been engaged in the bottling business in the province of New Brunswick. The business of manufacturing ginger ale was profitable from the outset, and eventually Chelmsford ginger ale practically dominated the market in the vicinity of Lowell, Mass.

A small plant was later erected in Concord, N.H., in order that the New Hampshire market could be better served. It was 1923 before Mr. Armstrong established a plant in Boston, but there, too, the business rose so rapidly that the Chelmsford product stands second in point of volume for the city.

Delaware Company Formed

The business was incorporated in 1925. The old Chelmsford Co., a Massachusetts corporation, took over the properties and going business of Mr. Armstrong. A plant was erected in Worcester, Mass., in 1928. On December 20, 1928, assets of the old Chelmsford Co. were transferred to a Delaware Corp. called Chelmsford Ginger Ale, Inc., qualified to do business in Massachusetts and New Hampshire, and the old company was dissolved.

An audited statement, corrected to reflect an independent appraisal made of old Chelmsford Co.'s assets, at the time of formation of new company, showed net value of all assets at $939,235, after deducting all liabilities except capital stock and after eliminating all goodwill items and organization expenses.

Based upon the average sales of the old Chelmsford Co. for the two years before being taken over, net profits in 1929 were more than $100,000 after tax deductions.

The purchase price paid by Canada Ginger Ale, Inc., was $964,090, including $606,250 cash and 4,473 shares of the stock at $80 a share. The stock was bought on the open market.

The company now operates under its own name and trademarks, as a wholly-owned subsidiary of Canada Dry Ginger Ale, Inc. All its plants with the exception of the property in Concord, N.H., are in operation.

Sales of G. B. Seely Co. Were $800,000 Yearly

Valuable New York Subsidiary Does Big Business Under Own Name

G. B. Seely's Son, Inc., one of the most important companies to be purchased by Canada Dry Ginger Ale Inc., was started by G. B. Seely in 1857. The latter first manufactured and sold root beer, but in a few years he broadened his business to include the manufacture and sale of a general line of carbonated beverages, including ginger ale, sarsaparilla, cream soda and other light soft drinks.

Frank Seely, son of the founder, later became a partner, and the partnership continued until incorporation on December 24, 1912. In 1885 part of the present premises on 15th St., between 8th and 9th Avenues, in the Borough of Manhattan, New York City, was purchased. Adjacent property was acquired and added from time to time as needed for the expansion of the business. The company now owns a property having a frontage of 175 feet on West 15th St. and a depth of about 164½ feet.

The plant is a substantial five-story reinforced concrete building with a frontage of 50 feet on West 15th St., running back the whole depth of the property with an ell 65 feet long. Adjoining the main building are large brick stables, garages, and store-rooms.

Sells Direct to Retailers

The company makes sales direct to retail dealers such as grocery stores, delicatessen stores, and the like in the metropolitan district, including not only the five boroughs of the City of New York, but Newark and Jersey City, N.J., and parts of Long Island.

The company owns and operates a large fleet of modern motor trucks for distributing its products. The business has been successful from the beginning and has always operated with a profit since the first few years of operation. The income account averaged in excess of $200,000 for the four years preceding 1928, and it is understood that considerable progress has been made since then.

The entire capital stock of the company was purchased in August, 1928, by Canada Dry Ginger Ale, Inc., and a new company of the same name was incorporated as a wholly-owned subsidiary of the parent concern. This company now operates a carbonated beverage business under its own name and with its own trademarks, in and about New York City. When taken over, the company had an annual sales volume of over $800,000 and total assets of $1,500,000.

Hostess Package Was Canada Dry's Idea

The Hostess package introduced by Canada Dry to the beverage industry, was an entire innovation when first brought out by the company. Today the company sells over 60 per cent of its total United States output of Canada Dry in this form. In the United States the company sells only two quantities to the trade — large wooden cases of 48 bottles each, or four Hostess packages also containing a total of 48 bottles.

Refrigerator Fleet Is Fine Investment

Canada Dry is exceedingly proud of its fleet of refrigerator cars which it has operated since February, 1927. There are 250 cars in all, each one specially constructed and bearing the company's name and trademark in huge green letters on a white background, across the outside.

These cars operate from the company's United States plants at Hudson, N.Y., and Maywood, Ill., and since they were purchased, each car has averaged over 2,000 miles a month. The total mileage of the entire fleet during the year is approximately 6,000,000 miles.

Not only do the cars maintain the company's product in perfect condition until it reaches its ultimate destination, but also the cars serve as an excellent advertising medium.

Each car cost something like $2,800, and is double-walled with heavy cork lining and insulation between. The cars were made by the General American Car Corp., and leased to Canada Dry by that company on a basis whereby the mileage earnings rolled up each year are allowed to offset rental charges. It is understood that the cars have been so busy ever since they were purchased that their operation has not actually cost the company anything.

President P. D. Saylor Receives High Honor

P. D. Saylor has recently achieved one of the highest positions in the world.

He is member of the Clouds Club.

This organization consists of 300 prominent New Yorkers who have taken as a clubhouse the three of the topmost stories of the new Chrysler Building, which is at the present time the highest structure in the world. This will be their club where they will have luncheon, play cards—and drink Canada Dry ginger ale.

As the building is approximately 1,049 feet high, it is said that the floors which the club members will use will on many occasions be in the midst of, or even actually above, the clouds.

Canada Dry Name Is Exclusive Property

The greatest asset of Canada Dry is the trade name.

This trade name is the exclusive property of the company and the right to use it has been buttressed by court decision. One company which was using a similar name was forever enjoined from encroaching on the right of Canada Dry. Another, with a similar name, was purchased by Canada Dry.

This settles the matter and assures shareholders that Canada Dry will forever own its greatest asset exclusively.

Maintains Fellowship At Mellon Institute

For the past four or five years Canada Dry has maintained at its own expense, a fellowship at the Mellon Institute, Pittsburgh, Pa.

This fellowship which is known as the Canada Dry fellowship, is devoted exclusively to research on carbonated beverages and keeps one of the company's chemists permanently employed on problems of research and investigation that have to do with the making of ginger ale and other carbonated drinks.

The company has derived very material benefit from this undertaking and several of the company's leading chemists have been sent to Pittsburgh on various problems which have had to be solved.

The first problem to be tackled at Pittsburgh was the making of the ginger extract which until last year was carried on in the same expensive and painstaking way that it was done thirty years ago. Considerable work was done in this regard at Pittsburgh and it was through the connections established there that the ultimate solution—namely, the Lloyd process which has meant such a tremendous saving to the company, was uncovered.

Any sort of problem, whether in regard to the crowns or caps for the bottle tops, the flavorings used, or the mixing of the ingredients, is tackled at Pittsburgh, where Canada Dry has the advice and assistance of some of the keenest professional minds on the continent.

Company's Annual Report Big Advertising Medium

Canada Dry loses no opportunities to advertise its products.

Each year the company makes a special feature of its annual reports, prints them on very special stock and features either its growth or its trademarks in color. The cost of each report is estimated to be about seventy-five cents.

In this way the company builds goodwill with its shareholders and also does a little quiet but decidedly impressive advertising for its products.

In 1928 the company reproduced a two-page, four-color map of Canada and the United States, showing the location of its various plants, and also an attractive four-color picture showing its product tastefully set out at a luncheon table. Other color charts in the same annual report indicated the world-wide distribution of the product and the growth of the company's sales and profits. The 1929 report contained in addition to some fine color work and colored charts, very excellent pencil etchings of the company's plants.

In addition to going to each of the company's 5,000 shareholders, many copies are distributed throughout the year as a result of enquiries received by the company.

Canada Dry Rate Of Capital Increase Favorable Factor

Growth Only from 428,000 to 510,000 Shares in Expansion Era

Canada Dry Ginger Ale, Inc., the shares of which are traded on the New York stock exchange, is a holding company incorporated under the laws of Delaware. Subsidiary companies are Canada Dry Ginger Ale, Inc., a Virginia corporation, Canada Dry Ginger Ale, Ltd., Toronto and Edmonton, which formerly was J. J. McLaughlin, Ltd., G. B. Seely's Son, Inc., and Chelmsford Ginger Ale, Inc.

A private company, J. J. McLaughlin Ltd., was the original manufacturer of Canada Dry Ginger Ale. In 1923, a New York company was formed with the name Canada Dry Ginger Ale, Inc., as a subsidiary of J. J. McLaughlin, Ltd., to make and sell Canada Dry in the United States. In 1924, the Virginia company was formed to take over J. J. McLaughlin Ltd., and its subsidiary in New York state. In 1925, the present company was organized as a holding company.

The company's record has been one of continuous expansion. In Canada, the expansion has been to purchase the Caledonia Springs Corp., of Montreal, to build a new Edmonton plant and, in September, 1928, to change the McLaughlin name to that of Canada Dry Ginger Ale, Ltd., in order to consolidate the Montreal with the other business under one name and to give the Canadian company the full benefit of the Canada Dry advertising carried throughout the United States and Canada.

In the United States, the company's plants are well located near centres of population where the greatest sales are made and from which the products can be distributed throughout the country and to foreign countries.

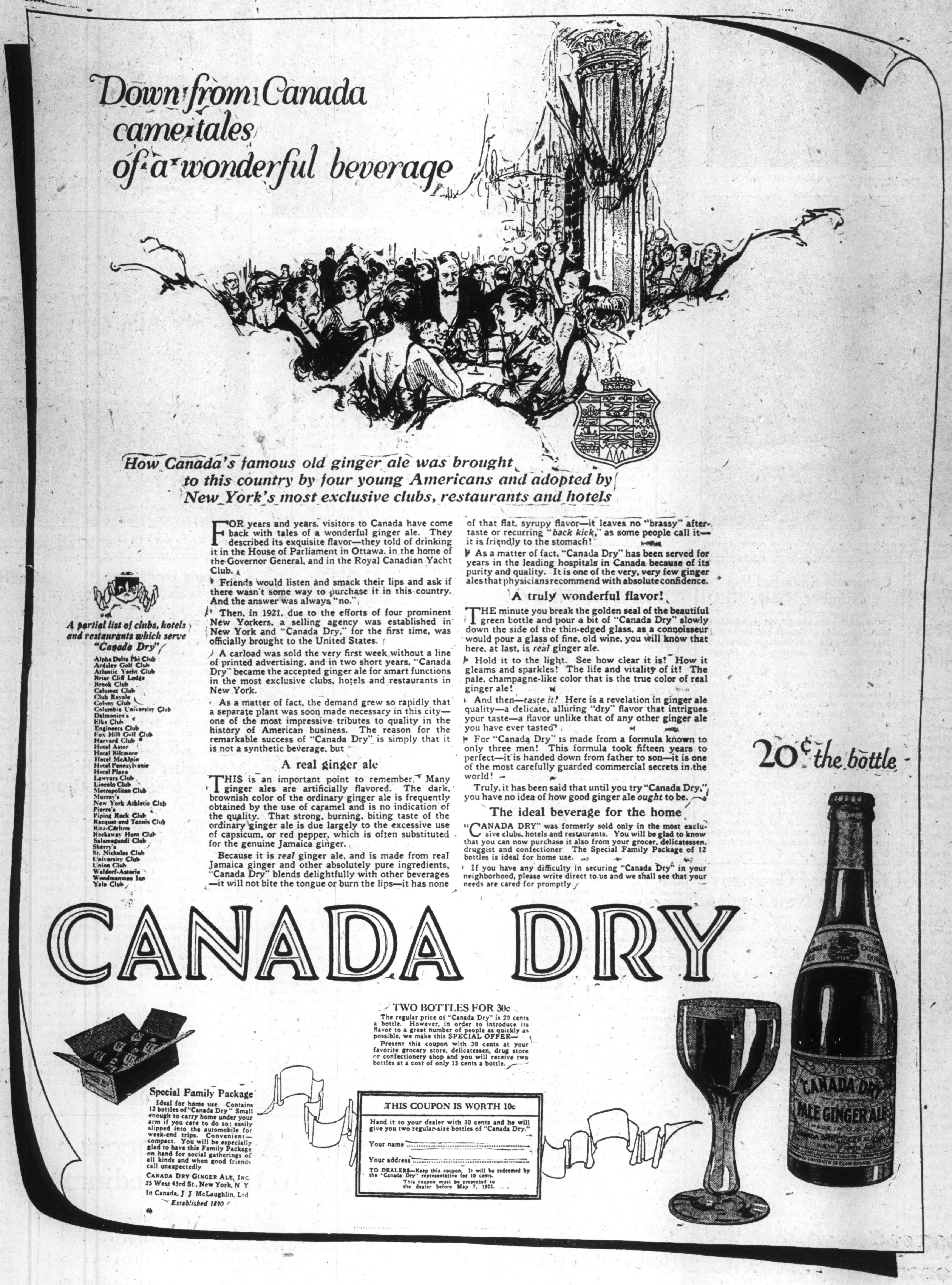
The principal plants of Canada Dry itself are at Hudson, N.Y., within 100 miles of Manhattan, and at Maywood, in Cook County, Ill. Other plants operated by Canada Dry wholly owned subsidiaries are at Boston, Worcester, Mass., and New York City.

Seely Business Substantial

G. B. Seely's Son, Inc., all of the capital stock of which was acquired by Canada Dry in 1928, is a business that grew from a small beginning in 1857 until sales totalled $3,526,000 in the four years and five months immediately prior to the acquisition by Canada Dry. This subsidiary has a modern plant in Lower Manhattan. Profits have averaged more than $200,000 annually in recent years and it is said that the company has been profitable in every year, with two or three exceptions, since its founding nearly three generations ago. The Seely business embraces all kinds of carbonated beverages. Sales are made direct to retailers not only in New York but Newark and Jersey City and in parts of Long Island.

Chelmsford Ginger Ale, Inc., which became a subsidiary of Canada Dry late in 1928, operates plants at Boston and Worcester, in Massachusetts. The acquisition thus gave Canada Dry additional advantages in serving the important New England market, while the well-known brands of carbonated beverages and soda flavors formerly manufactured and marketed by the Chelmsford company continue to be sold by the subsidiary. The purchase price of this company was $964,090, paid with $606,250 in cash and 4,473 shares of stock of Canada Dry which had been bought in the open market.

This is the now-famous advertisement that officially introduced "CANADA DRY" to the people of the United States. It appeared in the New York newspapers in April, 1923, and created such enthusiastic acceptance for the product that its theme has been featured and the copy repeated in every subsequent "CANADA DRY" campaign.



Down from Canada came tales of a wonderful beverage

How Canada's famous old ginger ale was brought to this country by four young Americans and adopted by New York's most exclusive clubs, restaurants and hotels

A partial list of clubs, hotels and restaurants which serve "Canada Dry"

Alpha Delta Phi Club
Ardsley Golf Club
Atlantic Yacht Club
Briar Cliff Lodge
Brook Club
Calumet Club
Club Royale
Colony Club
Columbia University Club
Delmonico's
Elks Club
Engineers Club
Fox Hill Golf Club
Harvard Club
Hotel Astor
Hotel Biltmore
Hotel McAlpin
Hotel Pennsylvania
Hotel Plaza
Lawyers Club
Lincoln Club
Metropolitan Club
Murray's
New York Athletic Club
Pierre's
Piping Rock Club
Racquet and Tennis Club
Ritz-Carlton
Rockaway Hunt Club
Salamagundi Club
Sherry's
St. Nicholas Club
University Club
Union Club
Waldorf-Astoria
Woodmansten Inn
Yale Club

FOR years and years, visitors to Canada have come back with tales of a wonderful ginger ale. They described its exquisite flavor—they told of drinking it in the House of Parliament in Ottawa, in the home of the Governor General, and in the Royal Canadian Yacht Club.

Friends would listen and smack their lips and ask if there wasn't some way to purchase it in this country. And the answer was always "no."

Then, in 1921, due to the efforts of four prominent New Yorkers, a selling agency was established in New York and "Canada Dry," for the first time, was officially brought to the United States.

A carload was sold the very first week without a line of printed advertising, and in two short years, "Canada Dry" became the accepted ginger ale for smart functions in the most exclusive clubs, hotels and restaurants in New York.

As a matter of fact, the demand grew so rapidly that a separate plant was soon made necessary in this city—one of the most impressive tributes to quality in the history of American business. The reason for the remarkable success of "Canada Dry" is simply that it is not a synthetic beverage, but

A real ginger ale

THIS is an important point to remember. Many ginger ales are artificially flavored. The dark, brownish color of the ordinary ginger ale is frequently obtained by the use of caramel and is no indication of the quality. That strong, burning, biting taste of the ordinary ginger ale is due largely to the excessive use of capsicum, or red pepper, which is often substituted for the genuine Jamaica ginger.

Because it is *real* ginger ale, and is made from real Jamaica ginger and other absolutely pure ingredients, "Canada Dry" blends delightfully with other beverages—it will not bite the tongue or burn the lips—it has none of that flat, syrupy flavor—it leaves no "brassy" after-taste or recurring "*back kick*," as some people call it—it is friendly to the stomach!

As a matter of fact, "Canada Dry" has been served for years in the leading hospitals in Canada because of its purity and quality. It is one of the very, very few ginger ales that physicians recommend with absolute confidence.

A truly wonderful flavor!

THE minute you break the golden seal of the beautiful green bottle and pour a bit of "Canada Dry" slowly down the side of the thin-edged glass, as a connoisseur would pour a glass of fine, old wine, you will know that here, at last, is *real* ginger ale.

Hold it to the light. See how clear it is! How it gleams and sparkles! The life and vitality of it! The pale, champagne-like color that is the true color of real ginger ale!

And then—*taste it!* Here is a revelation in ginger ale quality—a delicate, alluring "dry" flavor that intrigues your taste—a flavor unlike that of any other ginger ale you have ever tasted!

For "Canada Dry" is made from a formula known to only three men! This formula took fifteen years to perfect—it is handed down from father to son—it is one of the most carefully guarded commercial secrets in the world!

Truly, it has been said that until you try "Canada Dry," you have no idea of how good ginger ale *ought* to be.

The ideal beverage for the home

"CANADA DRY" was formerly sold only in the most exclusive clubs, hotels and restaurants. You will be glad to know that you can now purchase it also from your grocer, delicatessen, druggist and confectioner The Special Family Package of 12 bottles is ideal for home use.

If you have any difficulty in securing "Canada Dry" in your neighborhood, please write direct to us and we shall see that your needs are cared for promptly

20¢ the bottle

CANADA DRY

TWO BOTTLES FOR 30c

The regular price of "Canada Dry" is 20 cents a bottle. However, in order to introduce its flavor to a great number of people as quickly as possible, we make this SPECIAL OFFER—

Present this coupon with 30 cents at your favorite grocery store, delicatessen, drug store or confectionery shop and you will receive two bottles at a cost of only 15 cents a bottle.

Special Family Package

Ideal for home use. Contains 12 bottles of "Canada Dry" Small enough to carry home under your arm if you care to do so; easily slipped into the automobile for week-end trips. Convenient—compact. You will be especially glad to have this Family Package on hand for social gatherings of all kinds and when good friends call unexpectedly

CANADA DRY GINGER ALE, INC
25 West 43rd St., New York, N Y
In Canada, J J McLaughlin, Ltd
Established 1890

THIS COUPON IS WORTH 10c

Hand it to your dealer with 30 cents and he will give you two regular-size bottles of "Canada Dry."

Your name ....

Your address ....

TO DEALERS—Keep this coupon. It will be redeemed by the "Canada Dry" representative for 10 cents.

This coupon must be presented to the dealer before May 7, 1923.